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November 2007 Investment Committee Meeting
(September 2007 Reporting Period)

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November 13, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Investment Transactions
- II. PROGRAM:** Public Employees' Retirement Fund
- III. RECOMMENDATION:** Information only

The following investment transaction reports relating to the Public Employees' Retirement Fund (PERF) have been completed by staff for the Investment Committee's review. The transaction reports were completed for the months of August 2007 and September 2007.

Public Employees' Retirement Fund

Fixed Income Summary and Transactions

Internal Domestic

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Internally Managed Derivative Transactions Summary

Risk Managed Absolute Return Strategies Program Transactions

Risk Managed Absolute Return Strategies Program Items Completed
Under Delegation of Authority

Matthew Flynn
Division Chief

Anne Stausboll
Chief Operating Investment Officer

Russell Read
Chief Investment Officer

FIXED INCOME TRANSACTIONS

August 2007

	PURCHASES		SALES	
Asset Class	Market Value (\$Millions)	Effective Annual Yield %	Market Value (\$Millions)	Effective Annual Yield %
Government	2,001.4	5.1	1,450.6	4.7
Mortgages	3,668.0	6.0	3,450.3	6.1
Sovereigns	99.0	5.6	278.5	5.0
Corporates	499.0	6.8	11.6	8.1
High Yield	0.0	0.0	4.6	8.3
Total	6,267.4	5.8	5,195.6	5.6

FIXED INCOME SUMMARY

INTERNATIONAL MANAGERS PORTFOLIO SUMMARY

External International

August 31, 2007



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FIXED INCOME MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
ALLIANCE BERNSTEIN INSTITUTIONAL INVSTMT	\$983,948,534.67	14.45%	\$1,001,046,412.73	14.32%
BARING ASSET MANAGEMENT	\$111,399,520.25	1.64%	\$117,378,597.78	1.68%
BRANDYWINE ASSET MANAGEMENT	\$511,529,488.60	7.51%	\$518,955,892.22	7.42%
BRIDGEWATER ASSOCIATES	\$703.18	0.00%	\$703.18	0.00%
JULIUS BAER INVESTMENT MANAGEMENT INC.	\$5,983.35	0.00%	\$5,983.35	0.00%
MONDRIAN INVESTMENT PARTNERS	\$976,165,586.55	14.34%	\$1,011,618,865.76	14.47%
PIMCO INTL FIXED INCOME	\$1,111,993,398.25	16.33%	\$1,112,656,081.03	15.91%
ROGGE GLOBAL PARTNERS	\$1,717,350,713.85	25.22%	\$1,782,333,724.13	25.49%
WELLINGTON MANAGEMENT COMPANY	\$1,893.49	0.00%	\$1,893.49	0.00%
WESTERN ASSET MANAGEMENT	\$1,396,532,896.36	20.51%	\$1,448,612,409.02	20.72%
TOTAL	<u>\$6,808,928,718.55</u>	<u>100.00%</u>	<u>\$6,992,610,562.69</u>	<u>100.00%</u>

* INCLUDES CASH AND CASH EQUIVALENTS

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
When summing net amounts on this report, there may be breakage.

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FIXED INCOME TRANSACTIONS

INTERNATIONAL MANAGERS PORTFOLIO TRANSACTIONS

External International

August 31, 2007



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FIXED INCOME MANAGERS	PURCHASES	SALES	NET INVESTMENT	REALIZED CAPITAL GAIN/ LOSS
<i>PORTFOLIO TRANSACTIONS</i>				
ALLIANCE BERNSTEIN INSTITUTIONAL INVSTMT	\$133,285,690.00	\$132,783,096.00	\$502,594.00	\$1,984,655.96
BARING ASSET MANAGEMENT	\$8,615,300.00	\$10,329,215.00	(\$1,713,915.00)	\$668,041.68
BRANDYWINE ASSET MANAGEMENT	\$33,614,585.00	\$11,670,788.00	\$21,943,797.00	\$475,844.94
BRIDGEWATER ASSOCIATES	\$0.00	\$0.00	\$0.00	\$0.00
JULIUS BAER INVESTMENT MANAGEMENT INC.	\$0.00	\$0.00	\$0.00	\$0.00
MONDRIAN INVESTMENT PARTNERS	\$45,761,584.00	\$30,540,163.00	\$15,221,421.00	\$117,057.70
PIMCO INTL FIXED INCOME	\$1,641,328,929.00	\$1,350,990,563.00	\$290,338,366.00	\$2,100,283.29
ROGGE GLOBAL PARTNERS	\$124,896,594.00	\$140,289,025.00	(\$15,392,431.00)	(\$1,037,396.84)
WELLINGTON MANAGEMENT COMPANY	\$0.00	\$0.00	\$0.00	
WESTERN ASSET MANAGEMENT	\$354,961,449.00	\$517,319,668.00	(\$162,358,219.00)	\$9,085,892.81
TOTAL	\$2,342,464,131.00	\$2,193,922,518.00	\$148,541,613.00	\$13,394,379.54
Short-term Investment Fund	\$226,199,996.01	\$461,904,955.53	(\$235,704,959.52)	

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FIXED INCOME TRANSACTIONS
Member Home Loan Program

September-07

											This represents each program's portion of the total EAY% for all the total program (calculated by dividing each program's par value \$amt by the total \$amt for all programs and then multiplying by each program's EAY%)
Date of Commitment	Date of		Nominal	Wgtd % of Nominal	Price	Wgtd Avg Price based on PAR value	Net Yield & (Bond Eq. Rate)	Market Value	Cost	Effective Annual Yield (to calculate see notes)	This represents the % that each loan funding contributes to that program
	Payment	Loan Type									
PURCHASES											
Sep-81	Sep-07	FNMA 30YR	5.50 %					\$ 2,598,497.70	\$ 2,611,658.00	5.58 %	
Sep-81	Sep-07	FNMA 30YR	5.50 %					\$ 2,118,480.39	\$ 2,129,288.00	5.58 %	
Sep-81	Sep-07	FNMA 30YR	6.00 %					\$ 1,144,528.01	\$ 1,141,430.00	6.09 %	
Sep-81	Sep-07	FNMA 30YR	5.00 %					\$ 1,604,609.99	\$ 1,646,843.00	5.06 %	
Sep-81	Sep-07	FNMA 30YR	5.50 %					\$ 1,289,714.20	\$ 1,297,430.00	5.58 %	
Sep-81	Sep-07	FNMA 30YR	5.00 %					\$ 9,927,120.43	\$ 10,153,707.00	5.06 %	
Sep-81	Sep-07	FNMA 30YR	5.50 %					\$ 8,586,394.51	\$ 8,633,924.00	5.58 %	
Sep-81	Sep-07	FNMA 30YR	6.00 %					\$ 1,887,330.55	\$ 1,874,660.00	6.09 %	
Sep-81	Sep-07		5.35 %					\$ 29,156,675.78	\$ 29,488,940.00	5.42 %	5.42 %
GRAND TOTAL OF PURCHASES:								\$ 29,156,675.78	\$29,488,940.00		5.42 %

FIXED INCOME TRANSACTIONS
 Member Home Loan Program

September-07

										This represents each program's portion of the total EAY% for all the total program (calculated by dividing each program's par value \$amt by the total \$amt for all programs and then multiplying by each program's EAY%)	
										This represents the % that each loan funding contributes to that program	
										Effective Annual Yield (to calculate see notes)	
										Wgtd Avg Price based on PAR value	
										Net Yield & (Bond Eq. Rate)	
										Wgtd % of Nominal Rate	
										Nominal Rate	
										Date of Commitment	
										Date of Payment	
										Loan Type	
										Cost	
										Market Value	

SALES

For the month of September, there were no sales for AFL-CIO, CCMF, ULLICO, FNMA & GNMA Private Securities or FNMA & GNMA Personal Loans.

High Yield Performance

Performance VS Benchmark

CalPERS High Yield

Total Rate of Return as of September 30, 2007

<u>Asset Class</u>	1 Month	3 Months	Fiscal YTD	One Year	Annualized Return Since Inception *
CalPERS High Yield	1.21%	1.04%	1.04%	6.67%	15.14%
CalPERS High Yield Cash Pay	2.34%	0.41%	0.41%	7.44%	7.26%

*Prior data is not available as the High Yield portfolio was combined with the investment grade portfolio prior to November 1999.

EQUITY SUMMARY

INTERNAL PORTFOLIO SUMMARY

Internal Domestic and International

August 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
ACTIVE CURRENCY OVERLAY - INTERNAL	-\$664,580.47	0.00%	-\$664,580.47	0.00%
CALIFORNIA UNDERSERVED FUND	\$208,623,666.65	0.38%	\$207,497,232.68	0.22%
CALPERS	\$5,045,751,299.47	9.08%	\$5,101,586,900.13	5.35%
CASH EQUITIZATION	\$38,377,142.42	0.07%	\$38,377,142.42	0.04%
COMMODITIES	\$492,261,220.19	0.89%	\$482,704,549.36	0.51%
CURRENCY OVERLAY - SWER - CASH EQUITY	-\$3,359,762.83	-0.01%	-\$3,359,762.83	0.00%
DOMESTIC FUNDAMENTAL	\$1,051,477,012.01	1.89%	\$1,161,365,695.03	1.22%
DYNAMIC COMPLETION FUND	\$4,105,864,261.37	7.39%	\$4,755,197,374.68	4.98%
EXTERNAL DOMESTIC EQUITY TRANSITION	\$287,916.00	0.00%	\$237,480.00	0.00%
EXTERNAL INTERNATIONAL EQUITY TRANSITION	\$58,083,902.44	0.10%	\$54,090,977.76	0.06%
FUNDAMENTAL DEVELOPED INTL (EX-TOBACCO)	\$1,067,249,072.86	1.92%	\$1,112,886,416.96	1.17%
FUNDAMENTAL EMERGING MARKETS	\$99,852,078.05	0.18%	\$104,659,218.28	0.11%
INTERNAL DOMESTIC EQUITY TRANSITION	\$0.00	0.00%	\$0.00	0.00%
INTERNAL GOVERNANCE FOR OWNERS	\$75,696,582.95	0.14%	\$71,912,807.05	0.08%
INTERNAL INTERNATIONAL EQUITY TRANSITION	\$10,902,940.98	0.02%	\$10,902,940.98	0.01%
INTERNAL INTL EQ PERF ACCTG	\$18,991,298,496.33	34.17%	\$22,742,396,004.28	23.83%

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EQUITY SUMMARY

INTERNAL PORTFOLIO SUMMARY

Internal Domestic and International

August 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
INTERNAL MICRO CAP PORTFOLIO	\$752,552,661.43	1.35%	\$770,794,492.67	0.81%
INTERNAL RELATIONAL	\$316,802,048.80	0.57%	\$441,441,776.62	0.46%
KNIGHT VINKE INTERNAL PORTFOLIO	\$156,487,407.97	0.28%	\$174,741,714.85	0.18%
NEW MOUNTAIN INTERNAL	\$100,000,000.00	0.18%	\$116,571,400.00	0.12%
PERS HOLDING FUND	\$53,039,581.09	0.10%	\$91,053,044.30	0.10%
PERS INTERNAL 2500 INDEX FUND	\$22,852,407,087.66	41.12%	\$57,890,842,811.64	60.66%
STRUCTURED EMERGING MARKETS	\$102,020,576.88	0.18%	\$104,567,977.60	0.11%
TOTAL	<u>\$55,575,010,612.25</u>	<u>100.00%</u>	<u>\$95,429,803,613.99</u>	<u>100.00%</u>

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EQUITY TRANSACTIONS

INTERNAL PORTFOLIO TRANSACTIONS

Internal Management

August 31, 2007



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INTERNAL MANAGEMENT	PURCHASES	SALES	NET INVESTMENT	REALIZED CAPITAL GAIN/ LOSS
<i>PORTFOLIO TRANSACTIONS</i>				
ACTIVE CURRENCY OVERLAY - INTERNAL	\$0.00	\$0.00	\$0.00	
CALIFORNIA UNDERSERVED FUND	\$0.00	\$0.00	\$0.00	\$72,780.00
RELATIONAL INVESTORS	\$2,226,961,433.00	\$2,223,268,015.00	\$3,693,418.00	(\$61,246,240.00)
CASH EQUITIZATION	\$29,851.00	\$21,239.00	\$8,612.00	\$0.00
COMMODITIES	\$0.00	\$0.00	\$0.00	
CURRENCY OVERLAY - SWER - CASH EQUITY	\$0.00	\$0.00	\$0.00	
DOMESTIC FUNDAMENTAL	\$12,491,198.00	\$9,180,396.00	\$3,310,802.00	\$797,088.00
DYNAMIC COMPLETION FUND	\$61,843,917.00	\$58,144,403.00	\$3,699,514.00	\$2,203,462.00
EXTERNAL DOMESTIC EQUITY TRANSITION	\$0.00	\$0.00	\$0.00	
EXTERNAL INTERNATIONAL EQUITY TRANSITION	\$1,719.00	\$0.00	\$1,719.00	\$0.00
FUNDAMENTAL DEVELOPED INTL (EX-TOBACCO)	\$6,633,501.00	\$6,150,710.00	\$482,791.00	\$518,211.00
FUNDAMENTAL EMERGING MARKETS	\$6,996,162.00	\$6,243,897.00	\$752,265.00	(\$110,217.00)
INTERNAL DOMESTIC EQUITY TRANSITION	\$0.00	\$0.00	\$0.00	
INTERNAL GOVERNANCE FOR OWNERS	\$0.00	\$0.00	\$0.00	
INTERNAL INTERNATIONAL EQUITY TRANSITION	\$0.00	\$0.00	\$0.00	
INTERNAL INTL EQ PERF ACCTG	\$0.00	\$0.00	\$0.00	
INTERNAL MICRO CAP PORTFOLIO	\$35,050,563.00	\$33,432,774.00	\$1,617,789.00	(\$8,046,225.00)
INTERNAL RELATIONAL	\$0.00	\$4,564,689.00	(\$4,564,689.00)	\$3,033,060.00
KNIGHT VINKE INTERNAL PORTFOLIO	\$0.00	\$0.00	\$0.00	
NEW MOUNTAIN INTERNAL	\$0.00	\$0.00	\$0.00	
PERS HOLDING FUND	\$0.00	\$0.00	\$0.00	

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EQUITY TRANSACTIONS

INTERNAL PORTFOLIO TRANSACTIONS

Internal Management

August 31, 2007



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INTERNAL MANAGEMENT	PURCHASES	SALES	NET INVESTMENT	REALIZED CAPITAL GAIN/ LOSS
<i>PORTFOLIO TRANSACTIONS</i>				
PERS INTERNAL 2500 INDEX FUND	\$280,127,757.00	\$1,871,327,885.00	(\$1,591,200,128.00)	\$1,119,302,768.00
STRUCTURED EMERGING MARKETS	\$789,148.00	\$270,171.00	\$518,977.00	(\$40.00)
TOTAL	\$2,630,925,249.00	\$4,212,604,179.00	(\$1,581,678,930.00)	\$1,056,524,647.00
 Short-term Investment Fund	 \$0.00	 \$0.00	 \$0.00	

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EQUITY SUMMARY AND TRANSACTIONS

Corporate Actions

PERF – 2500 Index Fund
September 1-30, 2007

- CT Communications Inc (CTCI) was acquired by Windstream Corp (WIN) for \$31.50 per share. CalPERS owned 7,600 shares of CTCI and received \$239,400.00 for a gain \$60,344.00.
- Eschelon Telecom Inc (ESCH) was acquired by Integra Telecom Inc for \$30.00 per share. CalPERS owned 1,910 shares of ESCH and received \$57,300.00 for a gain of \$9,439.48.
- Compass Bancshares Inc (CBSS) was acquired by BBVA (BBVA) for \$71.82 per share and 2.80 shares of BBVA, per share. CalPERS owned 465,340 shares of CBSS and received \$28,106,285.01 for a gain of \$19,965,816.36.
- eFunds Corp (EFD) was acquired by Fidelity National Information (FIS) for \$36.50 per share. CalPERS owned 265,100 shares of EFD and received \$9,676,150.00 for a gain of \$6,803,582.15.
- Chaparral Steel Co (CHAP) was acquired by Gerdau Ameristeel Corp (GNA) for \$86.00 per share. CalPERS owned 116,000 shares of CHAP and received \$9,976,000.00 for a gain of \$9,702,243.36.
- Opsware Inc (OPSW) was acquired by Hewlett-Packard Co (HPQ) for \$14.25 per share. CalPERS owned 340,100 shares of OPSW and received \$4,846,425.00 for a gain of \$2,241,901.19.
- First Data Corp (FDC) was acquired by KKR & Co LP for \$34.00 per share. CalPERS owned 2,170,800 shares of FDC and received \$73,807,200.00 for a gain of \$51,378,808.11.
- Dade Behring Holdings Inc (DADE) was acquired by Siemens AG (SIE) for \$77.00 per share. CalPERS owned 243,220 shares of DADE and received \$18,727,940.00 for a gain of \$12,907,095.19.
- 21st Century Insurance Group (TW) was acquired by American International Group (AIG) for \$22.00 per share. CalPERS owned 645,700 shares of TW and received \$14,205,400.00 for a gain of \$5,211,192.39.

EQUITY SUMMARY

DOMESTIC MANAGERS PORTFOLIO SUMMARY

External Domestic

August 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
ANALYTIC INVESTORS LONG/SHORT	\$1,040,470,622.24	4.76%	\$1,018,830,498.33	4.26%
ATLANTIC ASSET MANAGEMENT	\$402,457,579.99	1.84%	\$403,422,801.04	1.69%
AXA ROSENBERG INV MGMT	\$130,632,386.34	0.60%	\$144,454,938.55	0.60%
BGI - US RUSSELL 1000 ALPHA TILTS	\$1,137,800,110.25	5.21%	\$1,215,459,788.51	5.09%
BLUM STRATEGIC PARTNERS II	\$35,601,788.00	0.16%	\$35,235,765.50	0.15%
BLUM STRATEGIC PARTNERS III	\$195,474,573.00	0.89%	\$213,698,061.52	0.89%
BOSTON COMPANY ASSET MGMT	\$687,880,437.16	3.15%	\$792,276,879.41	3.32%
BREEDEN PARTNERS	\$447,760,000.00	2.05%	\$476,138,133.28	1.99%
BROADMARK-VENTURE	\$1,890,900.00	0.01%	\$0.00	0.00%
RELATIONAL INVESTORS	\$1,020,032,097.91	4.67%	\$1,275,477,716.16	5.34%
CALPERS HEDGE FUND - UBS	\$3,731,500,000.00	17.07%	\$4,192,068,327.00	17.55%
CALPERS HEDGE FUND PARTNERS	\$409,626,255.15	1.87%	\$800,314,674.98	3.35%
DENALI INVESTMENT ADVISORS-INVESTMENT	\$168,341,843.01	0.77%	\$188,572,898.40	0.79%
DENALI INVESTMENT ADVISORS-VENTURES	\$2,128,500.00	0.01%	\$2,904,659.65	0.01%
FRANKLIN PORTFOLIO ASSOCIATES	\$1,009,424,338.07	4.62%	\$1,097,867,167.63	4.60%
GEEWAX TERKER & COMPANY	\$546,419,983.69	2.50%	\$585,644,621.04	2.45%
GOLDEN CAPITAL - ENHANCED LARGE CAP	\$752,621,101.51	3.44%	\$786,325,171.05	3.29%
GOLDEN CAPITAL, LLC	\$1.00	0.00%	\$0.00	0.00%
GOLDMAN SACHS SMALL CAP	\$474,030,945.64	2.17%	\$457,287,748.11	1.91%

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EQUITY SUMMARY

DOMESTIC MANAGERS PORTFOLIO SUMMARY

External Domestic

August 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
INTECH	\$1,130,585,741.72	5.17%	\$1,254,757,875.91	5.25%
JACOBS LEVY LARGE CAP GROWTH	\$513,246,625.47	2.35%	\$532,434,951.73	2.23%
MARVIN & PALMER LARGE CAP GROWTH	\$479,408,253.23	2.19%	\$544,875,737.40	2.28%
NEW AMSTERDAM PARTNERS	\$75,034,627.73	0.34%	\$82,227,127.40	0.34%
NEW MOUNTAIN CAPITAL	\$200,000,000.00	0.92%	\$215,546,400.00	0.90%
PIEDMONT LARGE CAP CORE	\$100,823,951.78	0.46%	\$105,738,033.15	0.44%
PIEDMONT VENTURES	\$3,207,928.65	0.01%	\$3,207,928.65	0.01%
PZENA INVESTMENT MGMT	\$748,026,749.93	3.42%	\$792,092,898.82	3.32%
QMA LONG/SHORT	\$1,125,092,149.28	5.15%	\$1,114,132,947.13	4.66%
RIGEL CAPITAL MGMT-LARGE CAP GROWTH	\$197,620,731.01	0.90%	\$215,597,165.87	0.90%
RIGEL CAPITAL MGMT-VENTURES	\$238,095.48	0.00%	\$7,902,508.03	0.03%
SANFORD C. BERSTEIN & CO.	\$722,590,025.31	3.31%	\$816,268,883.56	3.42%
SHAMROCK PARTNERS GOVERNANCE FUND, LLC	\$105,187,932.00	0.48%	\$125,209,402.98	0.52%
SHENANDOAH	\$154,693,989.24	0.71%	\$161,318,266.71	0.68%
SHENANDOAH ASSET MGMT-VENTURES	\$1,475,752.41	0.01%	\$733,252.67	0.00%
SMITH ASSET-LARGE CAP	\$155,873,780.16	0.71%	\$187,452,282.21	0.78%
SMITH ASSET-SMALL CAP	\$54,877,515.24	0.25%	\$67,175,353.69	0.28%
SMITH ASSET-VENTURES	\$0.00	0.00%	\$12,036,184.36	0.05%
SMITH BREEDEN	\$686,781,814.94	3.14%	\$662,847,553.13	2.77%

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EQUITY SUMMARY

DOMESTIC MANAGERS PORTFOLIO SUMMARY

External Domestic

August 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
SMITH GRAHAM & CO VENTURES	\$2,970,000.00	0.01%	\$2,970,000.00	0.01%
SSGA ENVIRO DOMESTIC	\$80,455,412.83	0.37%	\$87,893,900.41	0.37%
SSGA LONG/SHORT	\$1,019,307,606.11	4.66%	\$985,648,210.21	4.13%
STUX CAPITAL MGMT-INVESTMENTS	\$259,886,583.40	1.19%	\$280,008,093.31	1.17%
STUX CAPITAL MGMT-VENTURES	\$1,142,857.15	0.01%	\$2,003,293.73	0.01%
T. ROWE PRICE	\$640,778,738.35	2.93%	\$698,349,288.70	2.92%
TIMELESS INV & RES MGMT - VENTURE	\$1,302,347.08	0.01%	\$805,661.86	0.00%
TURNER LARGE CAP GROWTH	\$507,567,530.50	2.32%	\$565,976,011.94	2.37%
WAMCO	\$695,415,679.53	3.18%	\$677,724,680.94	2.84%
TOTAL	<u>\$21,857,685,881.49</u>	<u>100.00%</u>	<u>\$23,888,913,744.66</u>	<u>100.00%</u>

* INCLUDES CASH AND CASH EQUIVALENTS

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EQUITY TRANSACTIONS

DOMESTIC MANAGERS PORTFOLIO TRANSACTIONS

External Domestic

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STATE STREET.
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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
ANALYTIC INVESTORS LONG/SHORT	\$257,287,758.00	\$256,877,204.00	\$410,554.00	(\$11,277,231.43)
ATLANTIC ASSET MANAGEMENT	\$85,038,256.00	\$83,491,103.00	\$1,547,153.00	\$225,369.08
AXA ROSENBERG INV MGMT	\$23,931,477.00	\$25,307,679.00	(\$1,376,202.00)	(\$1,015,005.38)
BGI - US RUSSELL 1000 ALPHA TILTS	\$139,215,991.00	\$137,941,785.00	\$1,274,206.00	\$4,727,283.77
BLUM STRATEGIC PARTNERS II	\$0.00	\$0.00	\$0.00	
BLUM STRATEGIC PARTNERS III	\$2,467,105.00	\$0.00	\$2,467,105.00	\$0.00
BOSTON COMPANY ASSET MGMT	\$55,050,098.00	\$56,439,285.00	(\$1,389,187.00)	(\$4,881,436.70)
BREEDEN PARTNERS	\$60,800,000.00	\$0.00	\$60,800,000.00	\$0.00
BROADMARK-VENTURE	\$0.00	\$0.00	\$0.00	
RELATIONAL INVESTORS	\$51,300,000.00	\$71,941,039.00	(\$20,641,039.00)	\$42,955,370.34
CALPERS HEDGE FUND - UBS	\$405,000,000.00	\$180,000,000.00	\$225,000,000.00	\$0.00
CALPERS HEDGE FUND PARTNERS	\$0.00	\$242,612.00	(\$242,612.00)	\$11.81
DENALI INVESTMENT ADVISORS-INVESTM	\$16,612,919.00	\$16,445,126.00	\$167,793.00	(\$1,161,370.13)
DENALI INVESTMENT ADVISORS-VENTURE	\$0.00	\$0.00	\$0.00	
FRANKLIN PORTFOLIO ASSOCIATES	\$111,388,237.00	\$114,568,950.00	(\$3,180,713.00)	(\$614,452.16)
GEEWAX TERKER & COMPANY	\$97,700,985.00	\$98,651,503.00	(\$950,518.00)	\$9,382,004.09

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EQUITY TRANSACTIONS

DOMESTIC MANAGERS PORTFOLIO TRANSACTIONS

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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
GOLDEN CAPITAL - ENHANCED LARGE C	\$35,726,237.00	\$35,213,745.00	\$512,492.00	\$265,039.31
GOLDEN CAPITAL, LLC	\$0.00	\$0.00	\$0.00	
GOLDMAN SACHS SMALL CAP	\$77,299,099.00	\$75,986,227.00	\$1,312,872.00	\$3,796,512.31
INTECH	\$135,188,730.00	\$134,967,817.00	\$220,913.00	\$931,551.51
JACOBS LEVY LARGE CAP GROWTH	\$79,575,610.00	\$79,006,982.00	\$568,628.00	\$415,604.66
MARVIN & PALMER LARGE CAP GROWTH	\$108,951,532.00	\$93,387,054.00	\$15,564,478.00	(\$8,026,173.08)
NEW AMSTERDAM PARTNERS	\$1,894,501.00	\$2,207,703.00	(\$313,202.00)	(\$127,533.98)
NEW MOUNTAIN CAPITAL	\$0.00	\$0.00	\$0.00	
PIEDMONT LARGE CAP CORE	\$4,427,678.00	\$4,299,587.00	\$128,091.00	(\$150,481.36)
PIEDMONT VENTURES	\$0.00	\$0.00	\$0.00	
PZENA INVESTMENT MGMT	\$60,177,094.00	\$59,394,124.00	\$782,970.00	\$9,062,627.46
QMA LONG/SHORT	\$149,146,362.00	\$148,357,768.00	\$788,594.00	(\$2,644,881.30)
RIGEL CAPITAL MGMT-LARGE CAP GROW	\$73,785,698.00	\$74,229,857.00	(\$444,159.00)	\$609,781.18
RIGEL CAPITAL MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
SANFORD C. BERSTEIN & CO.	\$86,778,121.00	\$86,711,575.00	\$66,546.00	\$294,925.81
SHAMROCK PARTNERS GOVERNANCE FU	\$2,500,000.00	\$0.00	\$2,500,000.00	\$0.00

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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
SHENANDOAH	\$9,242,344.00	\$10,058,366.00	(\$816,022.00)	\$119,898.35
SHENANDOAH ASSET MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
SMITH ASSET-LARGE CAP	\$15,425,291.00	\$19,093,173.00	(\$3,667,882.00)	(\$999,545.63)
SMITH ASSET-SMALL CAP	\$2,909,814.00	\$5,462,469.00	(\$2,552,655.00)	(\$299,272.83)
SMITH ASSET-VENTURES	\$0.00	\$0.00	\$0.00	
SMITH BREEDEN	\$273,818,724.00	\$217,346,155.00	\$56,472,569.00	\$336,840.56
SMITH GRAHAM & CO VENTURES	\$0.00	\$0.00	\$0.00	
SSGA ENVIRO DOMESTIC	\$54,399.00	\$0.00	\$54,399.00	\$0.00
SSGA LONG/SHORT	\$60,443,093.00	\$59,576,904.00	\$866,189.00	(\$8,963,632.63)
STUX CAPITAL MGMT-INVESTMENTS	\$99,492,712.00	\$99,470,205.00	\$22,507.00	\$3,951,034.10
STUX CAPITAL MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
T. ROWE PRICE	\$41,686,464.00	\$38,683,268.00	\$3,003,196.00	\$2,552,091.02
TIMELESS INV & RES MGMT - VENTURE	\$0.00	\$0.00	\$0.00	
TURNER LARGE CAP GROWTH	\$131,787,379.00	\$138,156,123.00	(\$6,368,744.00)	(\$3,040,237.49)
WAMCO	\$369,207,555.00	\$339,702,001.00	\$29,505,554.00	\$1,067,777.63

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EQUITY TRANSACTIONS

DOMESTIC MANAGERS PORTFOLIO TRANSACTIONS

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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
TOTAL	\$3,125,311,263.00	\$2,763,217,389.00	\$362,093,874.00	\$37,492,468.89
Short-term Investment Fund	\$6,556,254.68	\$4,819,220.79	\$1,737,033.89	

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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
47 DEGREES NORTH FUND OF EMERGING FUNDS	\$100,000,000.00	0.50%	\$99,203,900.00	0.38%
ACADIAN ASSET MANAGEMENT	\$1,194,769,634.77	5.93%	\$1,385,926,754.07	5.31%
ACTIVE VALUE FUND - CALPERS	\$385.80	0.00%	\$385.80	0.00%
ALLIANCE BERSTEIN	\$877,991,805.32	4.36%	\$1,369,683,674.22	5.25%
ALLIANCE LARGE CAP GROWTH	\$552,914,938.96	2.75%	\$656,638,284.28	2.52%
ALLIANCE STRATEGIC VALUE	\$622,196,346.16	3.09%	\$759,863,385.06	2.91%
AQR CAPITAL MANAGEMENT, LLC	\$1,085,987,340.06	5.39%	\$1,266,851,631.37	4.86%
ARROWSTREET CAPITAL	\$1,080,494,873.99	5.37%	\$1,216,007,169.97	4.66%
ARROWSTREET CAPITAL L.P. - VENTURES	\$78,437.50	0.00%	\$5,631,719.87	0.02%
ARROWSTREET-INVESTMENTS	\$188,169,013.74	0.93%	\$210,423,779.29	0.81%
ARTISAN PARTNERS, LP.	\$1,615.03	0.00%	\$1,615.03	0.00%
AXA ROSENBERG INVESTMENT MANAGEMENT LLC	\$1,036,878,918.37	5.15%	\$1,348,615,654.92	5.17%
BAILLIE GIFFORD OVERSEAS LTD	\$713,585,735.63	3.54%	\$1,178,153,343.12	4.52%
BARING INTERNATIONAL INVESTMENT, LTD.	\$744,783,884.72	3.70%	\$948,708,317.48	3.64%
BATTERYMARCH EMERGING MKTS	\$530,414,443.21	2.63%	\$558,753,874.46	2.14%
BGI - INTL ALPHA TILTS	\$1,235,162,029.97	6.13%	\$1,455,533,044.00	5.58%
BRANDYWINE ASSET MGMT	\$80,366,080.83	0.40%	\$87,052,059.91	0.33%
CAPITAL GUARDIAN TRUST COMPANY	\$550,599,095.99	2.73%	\$734,960,337.62	2.82%
DIMENSIONAL FUND ADVISORS, INC.	\$554,730,109.98	2.75%	\$1,310,023,462.69	5.02%
ERMITAGE EUROPEAN FUND OF FUNDS	\$125,000,000.00	0.62%	\$131,177,750.00	0.50%

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EQUITY SUMMARY

INTERNATIONAL MANAGERS

External International



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
EUROPANEL EUROPEAN FUND OF FUNDS	\$100,000,000.00	0.50%	\$106,045,500.00	0.41%
FORTRESS - GAGFAH	\$103,615,252.42	0.51%	\$86,861,421.64	0.33%
FORTRESS - GAGFAH OVERLAY	-\$5,767,307.13	-0.03%	-\$5,767,307.13	-0.02%
GENESIS ASSET MANAGERS	\$942,247,168.04	4.68%	\$1,330,618,641.30	5.10%
GOVERNANCE FOR OWNERS	\$199,607,737.17	0.99%	\$235,155,589.79	0.90%
GRANTHAM, MAYO, VO & CO., LLC	\$825,109,711.16	4.10%	\$1,161,297,801.85	4.45%
HERMES EUROPEAN FUND	\$100,000,000.00	0.50%	\$275,788,912.84	1.06%
HERMES FOCUS ASSET MANAGEMENT LIMITED	\$218,873,996.78	1.09%	\$427,613,145.67	1.64%
INTERNATIONAL REIT	\$550,676,595.10	2.73%	\$657,755,131.17	2.52%
KCB ASIAN FUND OF FUNDS	\$150,000,000.00	0.74%	\$162,784,350.00	0.62%
KNIGHT VINKE INSTITUTIONAL PARTNERS	\$162,656,034.85	0.81%	\$213,565,289.58	0.82%
LAZARD EMERGING MKTS	\$569,131,600.18	2.83%	\$561,720,962.38	2.15%
NEW STAR INSTITUTIONAL MANAGERS LTD.	\$594,780,209.29	2.95%	\$697,627,583.03	2.67%
NOMURA ASSET MANAGEMENT USA INC.	\$892,276,765.95	4.43%	\$1,236,703,223.39	4.74%
NORTHROAD CAPITAL MGMT - VENTURES	\$1,453,721.26	0.01%	\$4,352,688.59	0.02%
NORTHROAD CAPITAL MGMT-INVESTMENTS	\$83,921,642.07	0.42%	\$107,272,654.29	0.41%
OECHSLE INTERNATIONAL ADVISORS	\$0.19	0.00%	\$0.19	0.00%
PARETO CURRENCY OVERLAY	\$279,543.33	0.00%	\$325,093.80	0.00%
PICTET EMERGING MKTS	\$519,595,164.41	2.58%	\$546,281,536.00	2.09%
PYRFORD INTL PLC-INVESTMENTS	\$145,758,487.97	0.72%	\$160,929,701.73	0.62%

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EQUITY SUMMARY

INTERNATIONAL MANAGERS

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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	BOOK VALUE	PERCENT OF PORTFOLIO	MARKET VALUE	PERCENT OF PORTFOLIO
PYRFORD INTL PLC-VENTURES	\$24,066.74	0.00%	\$6,410,866.29	0.02%
QMA INTERNATIONAL	\$916,291,235.09	4.55%	\$1,030,018,243.34	3.95%
ROBECO USA	\$544,072,643.76	2.70%	\$635,534,923.67	2.44%
SPARX ASIAN FUND OF FUNDS	\$75,000,000.00	0.37%	\$85,389,000.00	0.33%
SPARX VALUE CREATION FUND	\$376,729,378.12	1.87%	\$505,560,277.01	1.94%
SSGA CURRENCY FORWARDS	-\$12,217,250.71	-0.06%	-\$12,217,250.71	-0.05%
SSGA ENVIRO INTL	\$113,409,934.58	0.56%	\$132,207,431.94	0.51%
STATE STREET BANK AND TRUST COMPANY	\$1,162,933.98	0.01%	\$1,162,933.98	0.00%
TAIYO FUND MANAGEMENT CO. LLC	\$395,284,924.00	1.96%	\$678,061,876.51	2.60%
UBS EUROPEAN FUND OF FUNDS	\$150,000,000.00	0.74%	\$163,463,850.00	0.63%
VISION ASIAN FUND OF FUNDS	\$150,000,000.00	0.74%	\$171,674,700.00	0.66%
TOTAL	\$20,138,098,878.63	100.00%	\$26,087,408,915.30	100.00%

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EQUITY TRANSACTIONS

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EQUITY MANAGERS:

	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
47 DEGREES NORTH FUND OF EMERGING FUNDS	\$0.00	\$0.00	\$0.00	
ACADIAN ASSET MANAGEMENT	\$133,584,715.00	\$130,629,536.00	\$2,955,179.00	\$13,956,861.59
ACTIVE VALUE FUND - CALPERS	\$0.00	\$0.00	\$0.00	
ALLIANCE BERSTEIN	\$43,818,362.00	\$34,223,999.00	\$9,594,363.00	\$10,328,434.13
ALLIANCE LARGE CAP GROWTH	\$43,229,783.00	\$42,722,482.00	\$507,301.00	\$4,139,517.78
ALLIANCE STRATEGIC VALUE	\$34,393,610.00	\$43,886,431.00	(\$9,492,821.00)	\$11,954,652.24
AQR CAPITAL MANAGEMENT, LLC	\$59,062,163.00	\$51,822,524.00	\$7,239,639.00	\$363,212.01
ARROWSTREET CAPITAL	\$156,042,928.00	\$153,578,123.00	\$2,464,805.00	\$22,144,167.52
ARROWSTREET CAPITAL L.P. - VENTURES	\$0.00	\$0.00	\$0.00	
ARROWSTREET-INVESTMENTS	\$28,849,196.00	\$28,709,186.00	\$140,010.00	\$3,180,762.54
ARTISAN PARTNERS, LP.	\$0.00	\$0.00	\$0.00	
AXA ROSENBERG INVESTMENT MANAGEMENT LLC	\$24,376,957.00	\$24,384,522.00	(\$7,565.00)	\$3,698,562.21
BAILLIE GIFFORD OVERSEAS LTD	\$21,732,234.00	\$34,781,781.00	(\$13,049,547.00)	\$1,970,322.33
BARING INTERNATIONAL INVESTMENT, LTD.	\$45,712,774.00	\$45,650,000.00	\$62,774.00	\$13,711,634.36
BATTERYMARCH EMERGING MKTS	\$48,688,218.00	\$56,168,235.00	(\$7,480,017.00)	(\$712,106.57)
BGI - INTL ALPHA TILTS	\$74,627,003.00	\$76,310,194.00	(\$1,683,191.00)	\$13,506,068.39
BRANDYWINE ASSET MGMT	\$583,537.00	\$2,135,198.00	(\$1,551,661.00)	\$142,033.82
CAPITAL GUARDIAN TRUST COMPANY	\$279,079,490.00	\$275,536,983.00	\$3,542,507.00	\$4,460,717.07
DIMENSIONAL FUND ADVISORS, INC.	\$6,572,803.00	\$2,493,706.00	\$4,079,097.00	\$862,316.99
ERMITAGE EUROPEAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
EUROPANEL EUROPEAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
FORTRESS - GAGFAH	\$0.00	\$0.00	\$0.00	

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	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
FORTRESS - GAGFAH OVERLAY	\$0.00	\$0.00	\$0.00	
GENESIS ASSET MANAGERS	\$60,545,485.00	\$74,857,759.00	(\$14,312,274.00)	\$22,464,611.18
GOVERNANCE FOR OWNERS	\$0.00	\$0.00	\$0.00	
GRANTHAM, MAYO, VO & CO., LLC	\$595,379,043.00	\$590,115,700.00	\$5,263,343.00	\$8,016,970.94
HERMES EUROPEAN FUND	\$0.00	\$0.00	\$0.00	
HERMES FOCUS ASSET MANAGEMENT LIMITED	\$0.00	\$0.00	\$0.00	
INTERNATIONAL REIT	\$15,573,367.00	\$19,962,956.00	(\$4,389,589.00)	\$1,727,455.72
KCB ASIAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
KNIGHT VINKE INSTITUTIONAL PARTNERS	\$0.00	\$78,098,934.00	(\$78,098,934.00)	\$1,883,387.46
LAZARD EMERGING MKTS	\$110,630,763.00	\$55,676,602.00	\$54,954,161.00	(\$2,330,803.30)
NEW STAR INSTITUTIONAL MANAGERS LTD.	\$32,844,228.00	\$28,025,878.00	\$4,818,350.00	\$6,653,752.14
NOMURA ASSET MANAGEMENT USA INC.	\$39,048,169.00	\$56,824,617.00	(\$17,776,448.00)	\$14,432,246.24
NORTHROAD CAPITAL MGMT - VENTURES	\$0.00	\$0.00	\$0.00	
NORTHROAD CAPITAL MGMT-INVESTMENTS	\$0.00	\$0.00	\$0.00	\$0.00
OECHSLE INTERNATIONAL ADVISORS	\$0.00	\$0.00	\$0.00	
PARETO CURRENCY OVERLAY	\$0.00	\$0.00	\$0.00	
PHILLIPE INVTMT MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
PICTET EMERGING MKTS	\$42,557,544.00	\$39,047,356.00	\$3,510,188.00	(\$1,364,004.66)
PYRFORD INTL PLC-INVESTMENTS	\$0.00	\$0.00	\$0.00	\$0.00
PYRFORD INTL PLC-VENTURES	\$0.00	\$0.00	\$0.00	
QMA INTERNATIONAL	\$97,586,172.00	\$96,168,251.00	\$1,417,921.00	\$5,124,061.09
ROBECO USA	\$78,103,497.00	\$65,964,869.00	\$12,138,628.00	\$4,987,641.00

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EQUITY MANAGERS:

	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
SPARX ASIAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
SPARX VALUE CREATION FUND	\$12,000,000.00	\$0.00	\$12,000,000.00	\$0.00
SSGA CURRENCY FORWARDS	\$0.00	\$0.00	\$0.00	
SSGA ENVIRO INTL	\$7,795,036.00	\$7,048,649.00	\$746,387.00	\$405,935.07
STATE STREET BANK AND TRUST COMPANY	\$0.00	\$0.00	\$0.00	
TAIYO FUND MANAGEMENT CO. LLC	\$100,000,000.00	\$0.00	\$100,000,000.00	\$0.00
UBS EUROPEAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
VISION ASIAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
TOTAL	\$2,192,417,077.00	\$2,114,824,471.00	\$77,592,606.00	\$165,708,409.29
Short- Term Investment Fund	\$247,782,677.60	\$331,436,254.48	(\$83,653,576.88)	

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
When summing net amounts on this report, there may be breakage.

Prepared by State Street

CURRENT STATUS OF ALL COMPLETED CALPERS REAL ESTATE EQUITY TRANSACTIONS FOR AUGUST 2007

ADVISOR	PROPERTY TYPE	PROPERTY NAME	CITY	STATE	MOST RECENT APPRAISED VALUE *	ACQUISITION DATE **	DISPOSITION DATE **	HISTORIC COST *	CALPERS EQUITY SHARE OF TRANSACTION AMOUNT	ESTIMATED AFTER FEE IRR *	STATUS/ COMMENTS
<u>DISPOSITIONS</u>											
Buchanan Urban Investors II	Cure	TIMBERWOOD APARTMENTS	Aurora	CO	N/A	02/18/04	08/02/07	2,998,580	3,981,920	13.4%	Disposition
CalSmart, LLC	Cure	RIALTO PHASE IV (per disposition summary)	Rialto	CA	N/A	02/18/05	08/09/07	N/A	583,590	58.0%	Disposition
Buchanan Urban Investors II	Cure	SOUTH COAST HOME FURNISHINGS CENTRE	Costa Mesa	CA	N/A	08/26/05	08/10/07	10,582,894	20,976,980	34.9%	Disposition
CalSmart, LLC	Cure	SIERRA BUSINESS PARK	Fontana	CA	N/A	08/04/06	08/15/07	N/A	20,677,287	125.0%	Disposition
National Officer Partners	CORE	910 TRAVIS	Houston	TX	52,038,000	12/14/05	08/28/07	58,661,146	55,390,212	84.6%	Disposition
CalSmart, LLC	Cure	RIALTO INDUSTRIAL CENTER (Partial Sale)	Rialto	CA	N/A	02/10/06	08/30/07	N/A	6,378,241	43.0%	Disposition
								TOTAL	107,988,230		

ACQUISITIONS ***

LaSalle Investment Management	CORE	RAINER 7	Sumner	WA	N/A	08/02/07	N/A	N/A	29,496,777	7.1%	Acquisition
BlackRock Realty	CORE	WOODVIEW	Malvern	PA	N/A	08/02/07	N/A	N/A	27,482,297	10.1%	Acquisition
Buchanan Urban Investors II	Cure	ALMEDA MALL	Houston	TX	N/A	08/03/07	N/A	N/A	13,571,712	23.0%	Acquisition
BlackRock Realty	CORE	RIVER PARK APARTMENTS	Redmond	WA	N/A	08/16/07	N/A	N/A	9,588,782	13.7%	Acquisition
Pacific CityHome, LLC	Cure	HM GALLERY LOFTS	Los Angeles	CA	N/A	08/21/07	N/A	N/A	21,568,627	22.2%	Acquisition
								TOTAL	101,708,195		

Footnotes

- * The most recent appraised values and historic cost values represent CalPERS' share only.
- * Based upon data provided by partners.
- ** Based on funding settlement date.
- *** See brief descriptions - As attached.

ACQUISITION SUMMARY

Advisor Name: LaSalle Investment Management

Property Name: Rainier 7

City, State: Sumner, WA

Ownership: 100% CalEast

Acquisition Date: August 2, 2007

Total Project Size: 505,587 SF

Net Rentable Square Feet: 505,587 SF

Project Purchase Price (CalPERS Equity)*: \$29,496,774 (No property level debt)

Leverage Portion of Purchase*: \$0

Property Highlights/Investment Summary:

Property location, sub-market description:

Rainier 7 is a state-of-the-art bulk warehouse facility completed in July 2007. It is located in Sumner, a growing submarket just south of the large Kent Valley industrial submarket. Rainier 6, another building recently purchased by CalEast and sold to NW Indoor, is located on an adjacent site.

Seattle is the 13th largest industrial market of 52 tracked by Torto Wheaton. The warehouse component of the industrial market in Seattle is 156.6 million SF with a current vacancy rate of 7.0%. Over one-half of the industrial stock is located in what Torto Wheaton calls the Southend submarket, including the Kent Valley market, and consists of 81.2 million SF. The current Southend submarket vacancy rate is 7.2%. The subject site is located 10 miles south of the Southend submarket in the Puyallup / South Hill submarket, which has a current vacancy rate of 5.9%.

Seattle has supply constraints due to topography, water and population growth which has helped keep vacancy rates below the national average for several years despite an economy which, until recently, was weaker than the national economy. The Kent Valley (and greater Southend market) is the largest submarket in Seattle with 52% of the market square footage. The Sumner submarket, while much smaller than Kent Valley nonetheless offers industrial tenants comparable amenities including immediate access to State Road 167 (the major north-south route which parallels I-5 and bisects the Kent Valley submarket ten miles to the north), access to I-5, metro Seattle, labor, Sea-Tac Airport, and the ports.

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

Rainier 7 was completed in July 2007 and sold to CalEast by Panattoni Development Company. It is a 505,587 SF bulk warehouse built using tilt wall construction and a 6" unreinforced floor slab. Rainier 7 is a cross dock bulk distribution building with ESFR sprinklers and 30' ceiling height.

Summary leasing details, percentage leased, and historical lease rate percentages:

N/A – no leases in place at this time

Projected After Fee Internal Rate of Return:

7.1%

*CalPERS' Share Only

ACQUISITION SUMMARY

Advisor Name: BlackRock Realty

Property Name: Woodview (Woodview Associates L.P. is the title holding entity, owned indirectly by TKV-BR Woodview L.P.)

City, State: Malvern, PA

Ownership: CalPERS owns 98% of Western Multifamily LLC which owns WM Lancaster Member LLC which is a 90% JV partner in TKV-BR Woodview L.P.

Acquisition Date: August 2, 2007

Total Project Size: 264 units

Net Rentable Square Feet: 224,328 SF

Project Purchase Price (CalPERS Equity)*: \$27,482,297

Leverage Portion of Purchase*: \$48,510,000

Property Highlights/Investment Summary:

Property location, sub-market description:

Woodview is located in the Exton/Malvern submarket of the Philadelphia MSA. With 5 million square feet of office space in the submarket, Woodview will benefit from its proximity to major employers including SAP and Verizon. The property is located near the entrance to major thoroughfares including the I-76 to Philadelphia, the I-276 to Trenton, and the NJ Turnpike (I-95).

Property features, year built, developer, building type/class, square footage, parking details.

Energy saving features, etc.:

Built in 1996, the property was extensively renovated in 2007 by Korman Communities, the joint venture partner. This garden-style Class A consists of seven three- and four-story residential buildings, one clubhouse, a maintenance shop, and a pump house. The unit mix consists of 174 one-bedrooms and 90 two-bedrooms with an average unit size of 850 square feet. 119 (or 45% of the total) of the units are furnished and designated as extended stay corporate rentals. Community amenities include gated access; pool, fountains, Jacuzzi, and sauna facilities; fitness center; business center with high speed internet; and a conference room. Units feature private entrances and parking; vaulted ceilings; spacious closets; kitchens with granite countertops and stainless steel appliances; patios and balconies with secured storage; and fireplaces in select units. There are 472 parking spaces dispersed throughout the property.

Summary leasing details, percentage leased, and historical lease rate percentages:

The property is approximately 87% occupied.

Projected After Fee Internal Rate of Return:

10.1% - 10-year leveraged.

*CalPERS' Share Only

ACQUISITION SUMMARY

Advisor Name: Buchanan Street Advisors – Buchanan Urban Investors II, LLC

Property Name: Almeda Mall

City, State: Houston, TX

Ownership: 90% of joint venture equity

Acquisition Date: August 3, 2007

Total Project Size: +/- 43.6 acres

Net Rentable Square Feet: 500,857 sf

Project Purchase Price (CalPERS Equity)*: \$13,571,712 Initial Funding (\$13,654,080 Commitment)

Leverage Portion of Purchase*: JV Leverage - \$28,661,472

Property Highlights/Investment Summary:

- The Property, Almeda Mall, is comprised of an enclosed mall with inline space, junior anchors, and anchor space in addition to outparcels totaling 500,857 sf with 1,200 feet of frontage on Interstate 45 in Houston, TX. Included in this acquisition is a vacant JC Penney building totaling 201,620 sf. On the opposite end of the mall is a Macy's that is not part of the collateral.
- The Property is currently 94% leased to a variety of tenants that includes Steve & Barry's, Ross, and Palais Royal.
- The traffic count along Interstate 45 is one of the strongest in the City of Houston with approximately 211,000 cars passing by the site each day as this is the major thoroughfare between downtown Houston and the coastal city of Galveston.
- The Property was acquired for \$46,540,000 or \$92.92 psf (based on the initial 500,857 sf).
- This investment presents an opportunity to acquire a Class B regional mall that is physically worn, under managed, and has a vacant anchor building.
- There is great upside in implementing a well thought-out business plan to 1) demolish the vacant JC Penney building and sell an 8 acre parcel and a 12 acre parcel for \$8.00 psf, 2) bring the physical aspect of the mall up-to-date with new construction of three junior anchors along the freeway side of the mall, 3) upgrade tenancy through vacating underperforming tenants and replacing them with new, attractive tenants, and 4) increasing the rents to market.
- Currently the Property's rental rate averages \$15.57 psf for occupied space compared to the market rental rate of \$18.00 psf.
- After redevelopment and demolition of the JC Penney building, the 325,137 sf mall is projected to sell in 48 months for \$68,260,000 or \$209.94 psf (based on the new re-developed sf of 325,137).

Projected After Fee Internal Rate of Return:

23.0%

*CalPERS' Share Only

ACQUISITION SUMMARY

Advisor Name: BlackRock Realty

Property Name: River Park Apartments (Owned by Legacy Partners Riverpark Holding LLC), a development joint venture

City, State: Redmond, Washington

Ownership: CalPERS owns 98% of WM Riverpark LLC (wholly owned by Western Multifamily LLC) which is a 95% member of Legacy Partners Riverpark Holding LLC

Acquisition Date: August 16, 2007 (land)

Total Project Size: 316 units

Net Rentable Square Feet: 277,277 SF residential plus 9,729 SF retail

Project Purchase Price (CalPERS Equity)*: \$9,588,782

Leverage Portion of Purchase*: \$0

Property Highlights/Investment Summary:

Property location, sub-market description:

The 316 residential units to be developed by the joint venture will be part of a 6.14 acre mixed-use project located in downtown Redmond, Washington overlooking the Sammamish River and adjacent to the 3 acre Luke McRedmond Park. The site is only a few miles from Microsoft's main campus, 5 miles from downtown Bellevue, and 15 miles from downtown Seattle.

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

The Class A property will be developed by Legacy Partners, the joint venture partner, at a total estimated cost of \$93.2 million and will consist of three 3-story mid-rise buildings which will share a common parking podium with a 100,000 square foot office building and a hotel. The parking podium has 806 stalls which will be allocated between the hotel and apartment for night time parking but a portion will be available to office users during the day. The project is expected to be completed in the second quarter of 2009. The unit mix consists of 20% studios, 55% one-bedrooms, 22% two-bedrooms, and 3% three-bedrooms with an average unit size of 877 square feet. There are 32 affordable units. The floor plans will incorporate luxury features expected by the upper-end renter in the Redmond area. All units will feature full-size kitchens, microwave ovens, washer/dryers, large closets, large windows, patios or balconies, nine-foot ceilings, and high-speed internet connection. Two of the buildings will be constructed with high-quality condominium finishes to allow for a potential condo exit.

Summary leasing details, percentage leased, and historical lease rate percentages:

N/A

Projected After Fee Internal Rate of Return:

13.7% 7-year leveraged. The development is expected to be financed by a construction loan at 70% LTV. The construction loan will roll into a permanent loan upon completion.

*CalPERS' Share Only

ACQUISITION SUMMARY

Advisor Name: Pacific CityHome, LLC

Property Name: HM Gallery Lofts

City, State: Los Angeles, CA

Ownership: Joint Venture

Acquisition Date: August 21, 2007

Total Project Size: 297 units

Net Rentable Square Feet: 20,797 square feet (Retail)

Project Purchase Price (CalPERS Equity)*: \$21,568,627.45

Leverage Portion of Purchase*: \$0.00

Property Highlights/Investment Summary:

Property location, sub-market description:

The subject site is located in the Arts District of Downtown Los Angeles, near the Southern California Institute of Architecture (SCI-Arc) and less than two blocks from the bohemian retail and shops of Traction Avenue. The Little Tokyo and Downtown Core are adjacent to the Arts District to the west, providing excellent access to restaurant, retail, and commercial services as well as to the employment hub of Los Angeles. The tenancy of the project's retail portion is carefully being planned to support urban living. The site has easy access to the 10, 101, and 110 Freeways, and will be located approximately one-half mile to the Metro Rail Gold Line Extension, scheduled to be completed in 2009. Concord rated the site a 3.3 on a 5 point scale, for an "Average/Good" competitive advantage.

The Primary Market Area (PMA) is defined as West and Downtown Los Angeles. While the majority of demand is expected to emanate from the PMA, some demand is expected from Glendale/Burbank, Santa Monica and Culver City/Palms. Because downtown demand is lifestyle and not simply affordability driven, the product segment is more resilient to market cycles than more exurban attached product. Downtown development has benefited from grand vision, strategic planning, and support from major political and financial stakeholders, and this revitalization has attracted attention nationwide. The number of downtown visitors has increased 30% from 2003-2005, and 19% of downtown residents living in buildings constructed from 2000-2005 moved to downtown from out of state. Buyer profiles will include higher income young professionals and couples that work from home or work in or near downtown. Concord rated the market risk a 2.1, or a "Low," on a 5 point scale. In addition, the Kor brand is prevalent in these five industrial loft buildings, each of a different era and construction style, with dramatic views of the downtown skyline and the San Gabriel Mountains.

**Property features, year built, developer, building type/class, square footage, parking details.
Energy saving features, etc.:**

The proposed project by The Kor Group (Kor) is a mixed-use infill condominium project to be constructed at the intersection of Hewitt Street, Molino Street and Palmetto Street in the Arts District of Downtown Los Angeles, California. The project consists of acquiring an appurtenant existing parking structure consisting of 177 parking stalls (93 allocated to the residential portion), and the development, construction and sale of 297 live/work condominium units, 20,797 square feet of commercial space, and new construction of 298 parking spaces. The project has two phases: Phase One has been under construction since May 2006, and Phase Two is scheduled to begin March 2008. CityView currently has one project with Kor, and believes the developer to be a good partner. Pricing ranges from \$490,860 to \$1,021,365, an average unit price of \$606,370 (\$450/sf) for an average unit size of 1,347 sf with 1.32 parking spaces per live/work unit. Beginning in early April, thirty units were released and three of them sold at \$435/sf, representing less attractive units and an effort to build sales momentum. The CHFA guideline for Los Angeles is \$722,655. The Area Median Income in Los Angeles is \$56,200, and 15% of the units are affordable to 150% of AMI. The rent to own ratio is 1:3.3. Using an absorption rate of 6 per month, the Net Profit after Preferred Return and distribution of the entire land bump is \$22.2M (11.8%), and the CalPERS IRR is 21.2%.

Summary leasing details, percentage leased, and historical lease rate percentages:

Phase I

452 S. Hewitt Street [Building 1]: The existing 10,411 square foot prefabricated metal shed building was removed and replaced with a total of 277 parking stalls within an above-ground parking garage. A portion of this eliminated square footage will be used in other existing buildings to provide additional FAR as allowed by the city of Los Angeles. The above-ground parking garage will be 5 levels and approximately 50 feet tall.

510 S. Hewitt Street [Building 4]: The 95,972 square foot, 5 story structure will be adaptively reused as artists-in-residence lofts. 63 joint living and work units will be provided, averaging 1,355 square feet each. The lower level lofts will have street-level storefronts, allowing access for the businesses while also strengthening the community orientation of the project. To allow the reuse of the structure as live/work units will require minor modifications to the building's exterior and interior. These modifications include providing additional windows and selectively filling certain existing windows, providing new openings and filling others at the floor, and providing new elevators and stair systems and removing the old systems. Loft spaces will also be added at certain units. The building will be maintained at the same footprint, and the small increase in overall floor area is the result of added mezzanine space. Additionally, new rooftop amenities will be provided. These amenities will include a rooftop pool and deck, exercise room, spa, cabanas, and outdoor fireplace, all with skyline views.

550 S. Hewitt Street [Building 2]: The 171,645 square foot 5-story structure will be reused as 114 joint living and work units with an average size of 1,336 square feet each. This building offers excellent downtown skyline views, high ceilings, and hardwood floors. In order to accomplish the conversion, floor areas will be reconfigured by providing new openings within the loft units, removal of floor area for a new atrium lobby space, addition of new mezzanine space, addition of skylights, and the removal and relocation of stair and elevator openings.

530 S. Hewitt Street [Building 3]: The 89,838 square foot, 5-story structure will be adaptively reused as 63 joint living and work units with an average size of 1,372 square feet each. In order to accomplish the conversion, floor areas will be reconfigured by removing portions of floor areas within the loft units, addition of new mezzanine space at the existing roof truss, addition of skylights, small rooftop patios off

the new mezzanine level, and the relocation and addition of stair and elevator openings. Total square footage of the building will be 86,428 square feet.

515 Molino Street [Building 7]: The front portion of the 8,856 square foot single story building will be reused as retail space. The rear of the structure will be removed to provide courtyard space for the retail user. The retail space will be approximately 6,797 square feet, will be oriented to and have access from Molino Street, and will be easily accessible to the public. The retail space will likely be leased to a restaurant or café. The building courtyard at the rear will be approximately 4,000 square feet, converted to project open space. This will be interconnected with the live/work units to allow live/work residents the most convenient access and use possible to both the retail and project open space.

451 S. Hewitt Street [Urth Caffé]: Currently a one-story, 14,000 square foot brick building with a wood bow truss ceiling. Kor has an executed lease with Urth Caffé to lease the space for a combination commercial kitchen and retail café. The café use would add to the project by complimenting the top tier residential space with a premier retail destination as well.

Phase II

549 Molino Street [Building 5]: The 39,588 square foot, 2 story building will be converted to 28 joint live/work units averaging approximately 1060 square feet each. The reuse of the building will require new fenestration to be provided at the Molino and Palmetto Street elevations, creation of lobby spaces, and the replacement and relocation of elevator systems and stairways. Building area will be maintained at or below the existing 39,588 square feet.

527 Molino Street [Building 6]: The 55,550 square foot, 4 story structure will be converted to up to 29 joint live work units with an average size of approximately 1,430 square feet each. Building area will be maintained at or below the existing 55,550 square feet.

Projected After Fee Internal Rate of Return:

22.2%

*CalPERS' Share Only

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - September 2007

Partnerships	Date	Transaction	Amount
AACP China Growth Investors	9.5.07	Capital call	\$3,437,500.00
Advent International GPE V-D	9.24.07	Capital call	\$7,188,960.00
Apollo Investment Fund VI	9.11.07	Capital call	\$2,243,455.00
	9.21.07	Capital call	\$13,460,728.00
Ares Corporate Opportunities II	9.19.07	Capital call	\$7,263,922.52
Banc of America	9.28.07	Capital call	\$2,462,899.23
Blackstone Capital V	9.4.07	Capital call	\$31,263,992.00
CalPERS/PCG Corporate Partners	9.7.07	Capital call	\$3,750,000.00
	9.24.07	Capital call	\$40,000,000.00
Capital Link Fund I	9.10.07	Capital call	\$2,173,299.00
	9.21.07	Capital call	\$161,100.00
	9.26.07	Capital call	\$1,276,884.00
Carlyle Europe Partners II	9.20.07	Capital call	\$1,161,245.00
Carlyle Europe Partners III	9.20.07	Capital call	\$8,607,187.00
Carlyle Mexico Partners	9.4.07	Capital call	\$2,882,231.00
Carlyle Partners V	9.27.07	Capital call	\$61,810,558.00
Carlyle Riverstone Global Power III	9.6.07	Capital call	\$9,308,389.60
Carlyle Riverstone Renewable I	9.10.07	Capital call	\$5,659,907.36
	9.10.07	Capital call	\$3,766,060.98
Carlyle Strategic Partners	9.7.07	Capital call	\$2,016,274.00
Carlyle Strategic Partners [B]	9.7.07	Capital call	\$2,157,169.00
Centinela	9.10.07	Capital call	\$46,519.00
	9.26.07	Capital call	\$27,330.00
CEV II	9.4.07	Capital call	\$2,290,000.00
	9.18.07	Capital call	\$3,045,900.00
	9.26.07	Capital call	\$2,058,780.00
	9.28.07	Capital call	\$1,250,000.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - September 2007

Partnerships	Date	Transaction	Amount
CEV III	9.18.07	Capital call	\$1,362,750.00
	9.24.07	Capital call	\$3,233,750.00
CEV IV	9.4.07	Capital call	\$1,609,100.00
	9.20.07	Capital call	\$1,374,950.00
	9.26.07	Capital call	\$174,150.00
	9.28.07	Capital call	\$250,500.00
Clarus Lifesciences I	9.4.07	Capital call	\$2,925,000.00
Clearwater Capital Partners III	9.21.07	Capital call	\$18,000,000.00
Coller International Partners IV-D	9.19.07	Capital call	\$3,750,000.00
Court Square Capital Partners II	9.26.07	Capital call	\$9,462,549.00
CVC European Equity Partners IV	9.11.07	Capital call	\$26,797,618.00
	9.21.07	Capital call	\$17,104,522.00
CVC European Equity Tandem [B]	9.11.07	Capital call	\$33,597,551.00
	9.21.07	Capital call	\$12,821,563.00
ESP Golden Bear Europe Fund	9.28.07	Capital call	\$16,974,480.00
FFC Partners III	9.27.07	Capital call	\$1,049,350.00
First Reserve Fund XI	9.26.07	Capital call	\$8,131,902.00
Flagship Ventures Fund 2004	9.26.07	Capital call	\$1,250,000.00
FR XI Offshore AIV	9.28.07	Capital call	\$6,491,604.00
Golden State Investment Fund	9.4.07	Capital call	\$758,175.27
	9.5.07	Capital call	\$48,500.00
	9.7.07	Capital call	\$1,940,000.00
	9.11.07	Capital call	\$1,691,327.89
	9.28.07	Capital call	\$970,000.00
Green Equity Investors V	9.21.07	Capital call	\$28,097,623.20
Hellman & Friedman Capital VI	9.27.07	Capital call	\$39,907,430.00
Institutional Venture Partner XI	9.19.07	Capital call	\$1,250,000.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - September 2007

Partnerships	Date	Transaction	Amount
Ironbridge Capital 2003/04	9.7.07	Capital call	\$499,200.00
Ironbridge Fund II	9.6.07	Capital call	\$10,100,800.00
KKR 2006 Fund LP #1	9.21.07	Capital call	\$70,499,000.00
Landmark Equity Partners XI	9.24.07	Capital call	\$103,788.00
Levine Leichtman Capital II	9.14.07	Capital call	\$1,502,339.36
Levine Leichtman Deep Value	9.21.07	Capital call	\$2,952,755.91
Lightspeed Venture Partners VII	9.4.07	Capital call	\$1,083,342.45
	9.14.07	Capital call	\$984,789.47
Lime Rock Partners IV	9.5.07	Capital call	\$1,462,280.00
Madison Dearborn V-A	9.25.07	Capital call	\$47,659,248.00
Magnum Capital	9.19.07	Capital call	\$4,857,215.89
MC Venture Partners V	9.28.07	Capital call	\$1,623,524.00
NEA 12	9.25.07	Capital call	\$2,250,000.00
Oak Hill Capital Partners II	9.24.07	Capital call	\$1,713,328.05
Paladin Homeland Security Fund	9.14.07	Capital call	\$14,464.00
Palladium Equity Partners III	9.24.07	Capital call	\$381,900.00
Palomar Ventures III	9.10.07	Capital call	\$1,000,000.00
Parish Capital I	9.14.07	Capital call	\$2,143,461.00
PCG Clean Energy & Technology	9.7.07	Capital call	\$1,750,000.00
PCG International Emerging Markets	9.27.07	Capital call	\$3,000,000.00
Providence Equity Partners VI	9.26.07	Capital call	\$31,407,022.00
Q Street/Century	9.27.07	Capital call	\$70,000,000.00
Rosewood Capital V	9.27.07	Capital call	\$328,125.00
Sacramento Private Equity Partners	9.7.07	Capital call	\$2,735,714.29
	9.28.07	Capital call	\$2,190,476.19
Skyline Venture Qualified IV	9.21.07	Capital call	\$300,339.00
TA Subordinated Debt Fund II	9.7.07	Capital call	\$1,300,000.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - September 2007

Partnerships	Date	Transaction	Amount
TA X	9.7.07	Capital call	\$1,500,000.00
Thomas Weisel Global Growth [B]	9.27.07	Capital call	\$1,125,000.00
Thomas Weisel Global Growth II	9.21.07	Capital call	\$1,972,613.00
TPG Biotechnology	9.14.07	Capital call	\$1,983,003.00
TPG Biotechnology II	9.14.07	Capital call	\$4,121,571.00
TPG Credit Strategies	9.17.07	Capital call	\$6,319,115.33
TPG Ventures	9.14.07	Capital call	\$3,515,151.00
	9.21.07	Capital call	\$527,535.00
Trinity Ventures IX	9.14.07	Capital call	\$1,000,000.00
United States Power Fund II	9.25.07	Capital call	\$914,430.00
VantagePoint CleanTech	9.4.07	Capital call	\$2,500,000.00
Wayzata Opportunities Fund II	9.27.07	Capital call	\$27,000,000.00
Welsh Carson Anderson & Stowe X	9.27.07	Capital call	\$1,750,000.00
TOTAL CAPITAL CALLS			\$779,866,216.99
TOTAL DISTRIBUTIONS			\$480,543,853.57

INTERNAL PROGRAMS		
Alternative Investment Management (AIM) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Commitment
Attachment 1	Carlyle Strategic Partners II, LP	\$75 million
Attachment 2	EMA Investments, LP	\$100 million
Attachment 3	PCG Corporate Partners Fund II, LP	\$500 million
Attachment 4	TPG Asia V, LP	\$400 million
Attachment 5	WLR Recovery Fund IV, LP	\$400 million

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Carlyle Strategic Partners II, LP

Action:

Commit \$75 million to Carlyle Strategic Partners II, LP (“CSP” or the “Fund”)

Background:

The Carlyle Group (“Carlyle” or the “Firm”), an existing AIM partner, is raising Carlyle Strategic Partners II, L.P. in order to make, on an opportunistic basis, investments in operationally sound, but financially distressed companies. The Fund will target companies in industries where Carlyle has deep industry expertise. A dedicated investment team will focus on implementing the investment strategy of the Fund. Carlyle, one of the world’s largest private equity firms with more than \$75.6 billion under management, was established 1987 and currently has over 500 investment professionals operating out of offices in 21 countries.

This commitment is consistent with the AIM Program Strategic Review because it represents a sizeable commitment to a top performing private equity firm.

Key Principals:

- **Raymond Whiteman, Managing Director and Co-Head.** Before joining Carlyle, Mr. Whiteman was a Vice President and Group Head in the Leveraged Finance Group of Credit Lyonnais, where he structured and executed leveraged buyouts across a variety of industries. Prior to joining Credit Lyonnais, Mr. Whiteman worked at both Citicorp and The Chase Manhattan Bank on leveraged financings, asset-based lending and U.S. regional banking. Mr. Whiteman holds an M.B.A from the New York University Stern School of Business and a B.A. in Political Science from Williams College.
- **Brett Wyard, Managing Director and Co-Head.** Prior to joining the Firm, Mr. Wyard was a Managing Director at Oaktree Capital Management, LLC where he was a senior member of a team that managed \$7 billion of invested capital in special situation, distressed debt and private equity investments. Prior to Oaktree, Mr. Wyard was a Vice President in the Global Special Situations Group at Merrill Lynch Pierce Fenner & Smith, Inc. From 1994 to 1997, he was in the Financial Restructuring Group at Houlihan Lokey Howard & Zukin where he advised on restructuring and merger and acquisition transactions. Mr. Wyard received a B.A. in economics from Boston College.

Analysis:

- **The investment professionals dedicated to the Fund have experience investing in the control distressed market.** All of the investment professionals focused on the Fund have many years of distressed and control investment experience. The investment professionals have demonstrated an ability to generate returns by executing on the Fund's strategy.
- **Investing in distressed companies is a natural extension of Carlyle's buyout and high yield activities.** The CSP team draws upon Carlyle's established management network, deep industry expertise and buyout and leveraged finance platforms to give it the competitive edge of a strategic player in a market dominated by financial investors.
- **The Fund will target industries where Carlyle has developed deep networks and expertise.** CSP uses the Carlyle network to support its management teams and to recruit managers who understand industry specific challenges and can build upon a financially troubled company's strengths while shoring up areas of weakness. In addition, Carlyle's industry focus enables CSP to appoint Board members who have extensive sector experience and can provide critical insights into the issues shaping a portfolio company's future.

Litigation:

According to Carlyle, the investment professionals have not been parties to any material civil or criminal litigation.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 07-02-INV II(B)2.

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Blomquist & Company.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

EMA Investments, LP

Action:

Commit \$100 million to EM Alternatives, LP ("Vehicle")

Background:

EM Alternatives ("EMA" or the "Firm") is a private equity fund-of-funds manager formed in 2006 that targets top performing managers diversified across strategy, vintage year, and asset class in emerging markets. The Firm created a separate account vehicle, called EM Alternatives, to invest in private equity funds operating through the developing private equity markets. EMA is led by a team of four senior investment professionals who have a range of investment and advisory experiences with primary, secondary, and direct investments throughout China, India, Asia, Central & Eastern Europe, Russia, Latin America, the Middle East, and Africa.

This commitment is consistent with the AIM Program Strategic Review because it represents continued growth in international commitments.

Key Principals:

- **Ernest Lambers, Managing Partner & Chief Investment Officer.** Prior to co-founding the Firm, Mr. Ernest Lambers worked with Alpinvest Partners, where he served as Head of Emerging Markets. His responsibilities for Alpinvest included allocation planning, developing visibility in the market so as to enable access to the top performing managers, and origination and execution. Mr. Lambers was Executive Director of NIB Capital Bank Pte Ltd, Singapore, where he was responsible for the corporate clients of NIB Bank in Asia. Mr. Lambers received a MA in Economics from Erasmus University in Rotterdam and attended Aloysius College in The Hague.
- **John Stephens, Managing Partner and Co-Founder.** Prior co-founding the Firm, Mr. Stephens was Vice President of Projects International and later a Managing Director of Cape Point Capital. Prior to Projects International, John was a Senior Investment Analyst with Global Environment Fund ("GEF"), an \$800 million multi-fund manager investing in infrastructure and environmentally-related companies in Emerging Markets. Mr. Stephens earned a MBA from the Amos Tuck School of Business at Dartmouth College and he received a BA in Russian and East European Studies from the University of Washington.

- **Nicholas Morriss, Managing Partner and Co-Founder.** Before co-founding EMA, Mr. Morriss was a Partner in Projects International and, latterly, in Cape Point Capital, where he undertook buyouts and acquisitions work for clients, with a particular emphasis on emerging markets. Prior to Projects International, he was a Partner in the international accounting and consulting firm of Price Waterhouse Coopers. Mr. Morriss received his BA in Economics from York University.

Analysis:

- **The EMA investment team has strong networks in emerging markets.** Given the diverse backgrounds of the team, the Firm has strong relationships throughout Asia, Central and Eastern Europe, Latin America, and other developing private equity markets.
- **The Vehicle will provide CalPERS with additional exposure to attractive smaller private equity funds.** Through this vehicle, CalPERS remains invested to smaller funds in regions such as Latin America, Asia, and other markets that are generating attractive returns.
- **The Vehicle will diversify its investments by private equity strategy and geography.** The Firm expects to invest in venture capital, expansion, buyout, and special situation funds that operate in different regions.

Litigation:

According to the Firm, there is no material litigation pending against the General Partner or the Principals that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This investment complies with CalPERS Delegation No: II (C) 1 of Attachment A of Delegation Resolution 07-02.

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Pension Consulting Alliance.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

PCG Corporate Partners Fund II, LP

Action:

Commit \$500 million to PCG Corporate Partners Fund II, LP (the “Fund”)

Background:

Founded in 1979, PCG manages over \$13.2 billion in private equity allocations on behalf of some of the world’s largest institutional investors and has offices in La Jolla California, Washington, D.C. and Geneva, Switzerland. The company currently has 64 employees. In 1992, CalPERS retained PCG as a private equity investment consultant to identify direct investment opportunities. In 2001, CalPERS committed \$500 million to CalPERS/PCG Corporate Partners LLC, a captive vehicle created to make non-control private equity investments in and alongside large high quality corporate partners. The Fund will make non-control equity investments in and along-side established businesses to help finance strategic initiatives such as strategic or add-on acquisitions, growth initiatives or balance sheet restructuring.

This commitment is consistent with the AIM Strategic Review because it offers CalPERS the opportunity to attain top quartile returns on a significant amount of invested capital.

Key Principals:

Christopher Bower, Founder and Chairman/Chief Executive Officer. Mr. Bower has largely been responsible for the strategic direction and overall management of the firm since its inception. Prior to founding PCG in 1979, he was with Arthur Young & Co. Certified Public Accountants. Mr. Bower received his Bachelor of Science degree from the University of Colorado and holds a Juris Doctor degree from the University of San Diego. Mr. Bower is also a Certified Public Accountant.

Timothy Kelleher, Managing Director. Mr. Kelleher manages the Corporate Partners Fund. Prior to joining PCG, Mr. Kelleher was a Partner responsible for sourcing and negotiating leveraged buyouts and later-stage growth financings at Desai Capital Management. Prior to that, he was an Associate with Entrecanales, Inc., focused on later-stage growth capital and management buyouts. Before that, he was an Associate with L.F. Rothschild & Co. Mr. Kelleher received his Masters in Accounting from New York University and his Bachelor of Arts in History from Hamilton College.

Douglas Meltzer, Managing Director. Prior to joining PCG, Mr. Meltzer was a Principal at The Blackstone Group where he was involved in sourcing, executing and monitoring private equity investments in a broad range of industries. Before that he had similar responsibilities as a Vice President at DLJ Merchant Banking Partners. Mr. Meltzer also served as the Director of Strategic Development at EZ Buy, EZ Sell Recycler Inc. Mr. Meltzer received his MBA from The Anderson Graduate School of Management at UCLA and his Bachelor of Arts from Cornell University.

Analysis:

- **PCG has provided excellent returns since 1993.** Since 1993, PCG investments have generated attractive returns for its investors over multiple economic cycles.
- **PCG offers a low risk non-control strategy of providing growth capital to corporations using an experienced investment team tailored to Corporate Partnering Investing.** The investments are usually structured as subordinated debt with warrants or structured equity. The Corporate Partners team includes seven investment professionals with over 40 years of investing experience.
- **A large commitment to PCG Corporate Partners Fund II is consistent with the new strategic direction being implemented in the AIM Program** in which we are seeking to commit more capital to fewer core partnerships.

Litigation:

According to PCG, there is no outstanding or threatened litigation against the General Partner or the Principals that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: II (C) 1 of Attachment A of Delegation Resolution 07-02.

Due Diligence Report:

Staff has received a Due Diligence report on this transaction from LP Capital Advisors.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

TPG Asia V, LP

Action:

Commit \$400 million to TPG Asia V, LP (the “Fund”)

TPG Capital, LP (“TPG”, or the “Firm”) an existing AIM partner, is raising its fifth Asia-Pacific Fund, TPG Asia V, LP to make control-oriented investments ranging in size from \$100 million to \$250 million, in financial services, healthcare, and consumer companies across the pan-Asian region, including Australia and New Zealand (“Target Region”). TPG’s Asian investment activities began in 1994 with the founding of Newbridge Capital, LLC (“Newbridge”), which was integrated into TPG in 2005. TPG’s Asia team is centralized in Hong Kong, with six additional offices in Melbourne, Mumbai, Singapore, Shanghai, Beijing and Tokyo.

This commitment is consistent with the AIM Program Strategic Review because it represents a sizeable commitment to a top performing private equity firm.

Key Principals:

- **Dan Carroll, Co-Managing Partner.** Prior to joining TPG in 1995, Mr. Carroll spent nine years with Hambrecht & Quist Group, where he played a key role in the development of the firm’s private equity investment operations in Asia. Mr. Carroll received a B.A. in Economics from Harvard University and an M.B.A. from Stanford Graduate School.
- **Weijian Shan, Co-Managing Partner.** Prior to joining Newbridge in 1998, Mr. Shan was a Managing Director of JP Morgan and Chief Representative responsible for the firm’s activities in China. Prior to joining JP Morgan, his prior professional experiences include being a professor at the Wharton School, an Investment Officer at the World Bank, and a Law Clerk at Graham & James Law Firm. Weijian graduated from the Beijing Institute of Foreign Trade and holds an M.A. and Ph.D. from the University of California (Berkeley) and an M.B.A. from the University of San Francisco.

Analysis:

- **The Fund will be a part of the TPG investment platform.** A pioneer in private equity, TPG has operated over a period that spans several economic, stock market and private equity cycles. Globally, the Firm has approximately 120 professionals dedicated to sourcing, analyzing, executing and managing investments. In addition to infrastructure support and enhancing access to deal flow, the Fund's association with TPG provides other advantages. The Fund will benefit from TPG's insight and global investment teams in acquiring large, complex businesses. In addition, the Fund will have access to TPG's industry knowledge through cross-staffing across countries.
- **The Firm has an experienced management team investing the Fund.** The TPG Asia team, under the Newbridge name, has been investing since 1994. The Fund's team consists of professionals with private equity and operational experience in the Target Regions.
- **The Target Regions consist of a diverse set of national economies, many of which exhibit significant growth and developing private equity markets.** While each economy is unique, some possess key characteristics necessary to successfully execute a U.S.-style buyout strategy. In addition, the immaturity of the local private equity markets enables the generation of significant proprietary deal flow.

Litigation:

According to PCG International [PCGI], there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 07-02-INV II(B)2.

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from PCGI.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

WLR Recovery Fund IV, LP

Action:

Commit up to \$400 million to WLR Recovery Fund IV, LP (the “Fund”).

Background:

WL Ross (“Firm”) is currently raising its fourth global distressed-for-control fund, WLR Recovery Fund IV, LP, which will have substantially the same investment strategy as the three prior WLR Recovery funds. Up to 50% of the Fund’s invested capital may be invested in U.S. investments. The Firm expects to invest between \$25 million and \$150 million in 20 to 30 companies. The Firm was founded in April 2000 as an independent organization dedicated to fund management when Wilbur L. Ross, Jr. and his team left Rothschild Inc. where, since 1976, they had participated in focusing on company restructuring. WL Ross maintains offices in New York City, Mumbai, India and, through its affiliates, has offices throughout the world.

This commitment is consistent with the AIM Program Strategic Review because it represents a sizeable commitment to a top performing private equity firm.

Key Principals:

- **Wilbur R. Ross, Jr., Chairman and Chief Executive Officer.** Before founding the Firm in 2000, Mr. Ross spent approximately 24 years leading the restructuring operations of Rothschild. He has been involved in the restructuring of over \$200 billion in corporate liabilities. Mr. Ross received an M.B.A. from Harvard University and a B.A. from Yale University.
- **David Storper, Senior Managing Director.** Mr. Storper has been with the WL Ross since inception and currently is responsible for the firm’s trading activities. Prior to joining Rothschild’s restructuring practice in 1996, he served as a research analyst within the distressed debt departments of Libra Investments and Credit Suisse First Boston. Mr. Storper received both his M.B.A. and B.S. from Columbia University.
- **David Wax, Managing Director.** Mr. Wax has been with the Firm since inception and his responsibilities include financial restructuring, bankruptcy and reorganization advisory services, as well as general corporate finance advisory services. Prior to joining the General Partner in 1990, Mr. Wax spent 15 years with Bankers. He earned his B.A. from Brown University.

Analysis:

- **The Firm has developed an excellent reputation through a series of highly successful, creative transactions.** The Firm is known for becoming involved in highly complex situations that involve substantial financial and operational restructuring. WL Ross has been recognized by its industry peers for the success of its deals. Most recently, the Firm was recognized as the 2007 Private Equity Firm of the Year and for the 2007 International/Cross-border Deal of the Year by M&A Advisor.
- **A large commitment to WLR Recovery Fund IV, LP is consistent with the new strategic direction being implemented in the AIM Program** in which we are seeking to commit more capital to fewer core, top quartile-performing partnerships.

Litigation:

According to WL Ross, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 07-02-INV II (B)2.

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from LP Capital Advisors.

INTERNALLY MANAGED DERIVATIVE TRANSACTIONS SUMMARY

August 2007

<u>SECURITY TYPE</u>	(\$ Millions) <u>NOTIONAL</u>
FUTURES PURCHASES	\$1,486.4
FUTURES SALES	\$1,261.1

INTERNAL PROGRAMS
Risk Managed Absolute Return Strategies (RMARS) Program
Transactions - September 2007

Partnerships	Date	Transaction	
Black River Fixed Income Relative Value Opportunity Fund Ltd.	9/1/07	Additional Contribution	\$
Canyon Special Opportunities Fund, L.P.	9/1/07	Initial Contribution	\$
Chatham Asset High Yield Offshore Fund, Ltd.	9/1/07	Additional Contribution	\$
OZ Domestic Partners II, LP	9/1/07	Additional Contribution	\$
PFM Diversified Fund, L.P.	9/1/07	Additional Contribution	\$
Platinum Grove Contingent Capital Partners, L.P.	9/1/07	Initial Contribution	\$
Tennenbaum MS Fund I, LLC	9/1/07	Additional Contribution	\$
Wayzata Recovery Fund, LLC	9/1/07	Additional Contribution	\$
TOTAL INVESTMENTS			\$
TOTAL REDEMPTIONS			\$

INTERNAL PROGRAMS		
Risk Managed Absolute Return Strategies (RMARS) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Initial Contribution
Attachment 1	Platinum Grove Contingent Capital Partners, L.P.	\$75M on Sept. 1, 2007
Attachment 2	Canyon Special Opportunities Fund, L.P.	\$150M on Sept. 1, 2007

ATTACHMENT 1

Risk Managed Absolute Return Strategies (RMARS) Program Executive Summary of Action Taken Under Delegation of Authority

Platinum Grove Asset Management, L.P.

Action:

Initial contribution of \$75 million to Platinum Grove Asset Management, L.P. on September 1, 2007.

Background & Analysis:

Platinum Grove Asset Management, L.P. (the "Fund") is a multi-strategy fund with a focus on relative value trading with a bias toward fixed income investment vehicles. The Fund uses an active allocation process that seeks to take advantage of mispricing in government bonds, interest rate swaps, interest rate futures, equities and equity and credit derivatives primarily in G-7 capital markets.

The fund seeks to generate a return stream that is uncorrelated with public markets. It does so by providing liquidity (buying from) or inventory (selling to) institutional investors (i.e. investment banks, broker/dealers, plan sponsors, etc.) Platinum Grove targets understandable supply/demand imbalances that emerge due to constraints on institutional investors, such as accounting rule changes, regulatory rigidity (i.e. minimal credit quality or liquidity issues), or changes in tax codes. In essence, part of the fund's returns is derived from providing liquidity to diverse groups of global investors that are willing to give up performance to adjust their portfolio allocations. When providing these liquidity and risk transfer services, the fund allocates capital selectively and dynamically across multiple strategies and markets.

The fund provides the inventory only after understanding underlying fundamentals and determining whether an opportunity is expected to produce acceptable returns on capital after hedging out unwanted risks. Being suppliers of liquidity means the fund's volatility is determined by the risk of the inventory held in the fund that was purchased from the investors. Risk management is vital to this approach and is managed in the following ways. First, all market, credit and FX risks are hedged. Second, a rigorous capital allocation and risk control model are used to mitigate unwanted factor risks. Third, VaR is de-emphasized in favor of stress-testing risk scenarios. Fourth, each investment strategy is

allocated risk capital and treated as a stand-alone investment. Lastly, diversification is very important. For example, there are more than 15 sub-strategies within the fixed income arbitrage strategy.

Quantitative models and analytical tools help identify the imbalances, structure the strategies, and hedge exogenous factor risks. Qualitative analysis augments the implementations of the strategies by providing insights in to the “micro-factors” that led to the imbalances and when they might reverse, but also “macro-factors” that affect how quickly the fund will realize a profit. This fund is most profitable when market participants adjust their portfolios more frequently due to increases in market volatility or market shocks. In less volatile periods, the equity strategies, such as event-driven or risk arbitrage will likely perform better than the fixed income strategies.

The investment process begins with technology that creates market “filters” which are updated each night. The filters identify potential opportunities across the G-7 markets. Once opportunities are found, fundamental economic analysis is performed. The analysis must provide a clear rationale for the supply/demand imbalance. The rationale is debated among the various members on the Investment Committee. In addition, an expected timing or “half-life” of the supply demand imbalance is stated. Only upon these two issues being resolved will the Investment Committee approve an investment.

Technology is used to assess portfolio construction implications. An optimizer compares investment opportunities to assist the Investment Committee in determining which investment opportunities are best suited for the portfolio on a return basis and also by taking into consideration how the opportunity fits within the total portfolio.

The fund is regularly subjected to risk-scenario testing, focusing on the sensitivity of portfolio returns to a liquidity crisis and to other adverse scenarios. Capital is allocated based upon stress risk, assuming perfect correlations across strategies with no offsets, although in reality offsets do frequently exist.

An optimization tool maximizes the expected growth of the fund by taking into account the possibility of stress conditions. It adjusts the costs to reduce the risk of the portfolio if the capital allocations budget is exceeded or concentration limits are violated. These costs increase with the size of the positions relative to the market.

Key Principals:

- **Myron Scholes, Founding Principal & Chairman:** Mr. Scholes is a member of the Management committee and the Investment Committee. He is the recipient of the Nobel Prize in Economic Science in 1997. Previously, he was a Partner at Long-Term Capital Management, a Managing Director at

Salomon Brothers and the Frank E. Buck Professor of Finance at Stanford Business School.

- **Chi-fu Huang, Founding Principal & Chief Investment Officer:** Mr. Huang is a member of the Management Committee and the Investment Committee. He was a Partner at Long-Term Capital Management, where he co-managed the Asia office in Tokyo. Previously, he was Head of Fixed Income Derivatives Research at Goldman Sachs and the J. C. Penney Professor of Management at the Sloan School of Management of Massachusetts Institute of Technology.

Litigation:

To the best of its knowledge and belief, there is no current, threatened or pending litigation against Platinum Grove Asset Management, L.P.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation Nos. 89-13 and 95-50.

Due Diligence Report:

Staff has conducted Due Diligence on this transaction with assistance from UBS-AIS.

ATTACHMENT 2

Risk Managed Absolute Return Strategies (RMARS) Program Executive Summary of Action Taken Under Delegation of Authority

Canyon Special Opportunities Fund, L.P.

Action:

Initial contribution of \$150 million to Canyon Special Opportunities Fund, L.P. on September 1, 2007.

Background & Analysis:

Canyon Special Opportunities Fund, L.P. (the "Fund") is a multi-strategy fund which will focus on areas of the capital markets that the Fund's manager, Canyon Capital Advisors LLC (the "Manager"), believes to be particularly disrupted. These areas may include stressed and distressed credit opportunities, including bank debt, credit default swaps, high yield bonds and similar securities, indices on such securities and common stock and debt securities of companies engaged in merger transactions, corporate reorganizations, and similar corporate events. The Fund will also engage in selected hedging and risk arbitrage transactions.

The Fund is structured differently from most "typical" hedge fund investments, including the Canyon Value Realization Fund, which is also run by the Manager and in which the RMARS Program has a substantial investment. The Fund is capped at \$1 billion of investments and will not provide liquidity to investors (or performance fees to the Manager) earlier than the end of 2009. The longer lockup is designed to address the longer duration of opportunities in stressed and distressed assets – these situations often take a significant amount of time to present a reasonable exit opportunity.

The genesis for the Fund's existence has been the turmoil in the credit markets brought about primarily by excesses in structured credit creation and issuance. The two best-known examples of these excesses are subprime mortgages, which were structured into instruments such as collateralized debt obligations or "CDOs," and leveraged buyouts, which resulted in the issuance of hundreds of billions of dollars of "bridge loans" by investment banks which the banks have subsequently been unable to re-sell in the capital markets. Buyout bridge loans were in many cases purchased for inclusion in structures called collateralized loan obligations, or "CLOs" – when the CDO market suffered losses, the CLO market did as well, and as a result there was less CLO-driven demand for an increasing supply of bridge loans.

The Manager sees opportunities stemming from both of these structured credit-driven problems, but its primary expertise is in corporate credit-related situations, and it is expected that the great majority of investments will come in risk arbitrage and corporate credit-related investments. For example, the Manager may determine that “bridge loans” being held by investment banks have significant value above existing price points. The banks holding such bridge loans are motivated to sell these loans, in some cases at below-market prices, because of capital adequacy requirements and the banks’ desire to deploy that capital elsewhere.

The Fund is a natural extension of the Manager’s existing skillset in extracting value from investments in a variety of market environments. The Fund’s principals, Joshua Friedman and Mitchell Julis (see below), each have more than twenty years’ experience in restructuring corporate balance sheets in a variety of industries. The Manager has seventy investment professionals with substantial experience across equity, debt, structured credit, and derivative markets. And most importantly, the Manager’s professionals have extensive experience dealing with stressed and distressed situations and a keen understanding of how to extract maximum value from difficult situations.

Key Principals:

- **Joshua Friedman, Founding Managing Partner.** Mr. Friedman has spent his entire career in the leveraged finance business, structuring and investing in debt and equity securities, leveraged buyouts, acquisitions, restructurings, arbitrage and other special situations. Prior to forming Canyon Mr. Friedman was a senior executive at Drexel Burnham Lambert, where he was in charge of structuring new issue transactions in the High Yield Bond and Private Placement departments. Prior to 1984 Mr. Friedman worked in the Mergers & Acquisitions department at Goldman Sachs. Mr. Friedman has a B.A. from Harvard, an M.A. from Oxford, and a J.D. and M.B.A. from Harvard.
- **Mitchell Julis, Founding Managing Partner and Senior Portfolio Manager.** Mr. Julis has, since 1983, been a value investor in special situation debt and equity securities in the public and private markets, including bankruptcies, reorganizations and restructurings. Prior to forming Canyon Mr. Julis was a senior vice president at Drexel Burnham Lambert, where he directed a group of professionals responsible for a portfolio of distressed and special situation securities. Prior to 1983 Mr. Julis was a bankruptcy and creditors’ rights attorney at Wachtell, Lipton, Rosen & Katz in New York. Mr. Julis has authored a number of articles published in law journals and other periodicals on the subject of bankruptcy and distressed credit investing. He has a B.A. from the Woodrow Wilson School at Princeton University and a J.D. and M.B.A. from Harvard.

Litigation:

To the best of its knowledge and belief, there is no current, threatened or pending litigation against Canyon Capital Advisors LLC.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation Nos. 89-13 and 95-50.

Due Diligence Report:

Staff has conducted Due Diligence on this transaction with assistance from UBS-AIS.



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November 13, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Investment Transactions
- II. PROGRAM:** Affiliate Funds
- III. RECOMMENDATION:** Information Only

The following investment reports relating to the Affiliate Funds have been compiled by staff for the Investment Committee's review. The transaction and asset allocation reports were completed for the month of September 2007.

Annuitants' Health Care
Judges' Retirement
Judges II Retirement
Legislators' Retirement
Long Term Care
Public Employees' Medical & Hospital Care Act Contingency Reserve
Supplemental Contribution
Volunteer Firefighters Length of Service Award

Matthew Flynn
Division Chief

Anne Stausboll
Chief Operating Investment Officer

Russell Read
Chief Investment Officer

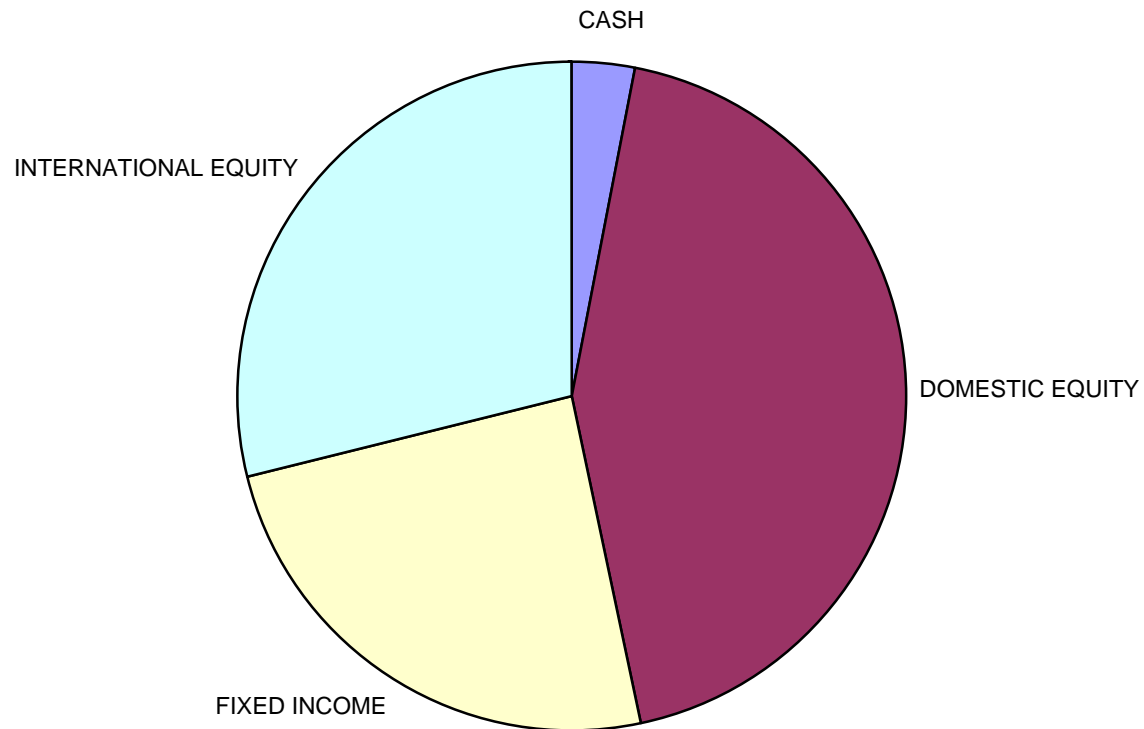
ANNUITANTS' HEALTH CARE COVERAGE FUND

SKB0

ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	1,328,805.68	3.16%	1,328,805.68	3.07%
DOMESTIC EQUITY	18,299,967.62	43.58%	18,850,707.72	43.57%
FIXED INCOME	10,499,524.90	25.01%	10,642,126.84	24.60%
INTERNATIONAL EQUITY	11,859,575.07	28.25%	12,443,489.94	28.76%
TOTAL	\$41,987,873.27		\$43,265,130.18	



ANNUITANTS' HEALTH CARE COVERAGE FUND

SKB0

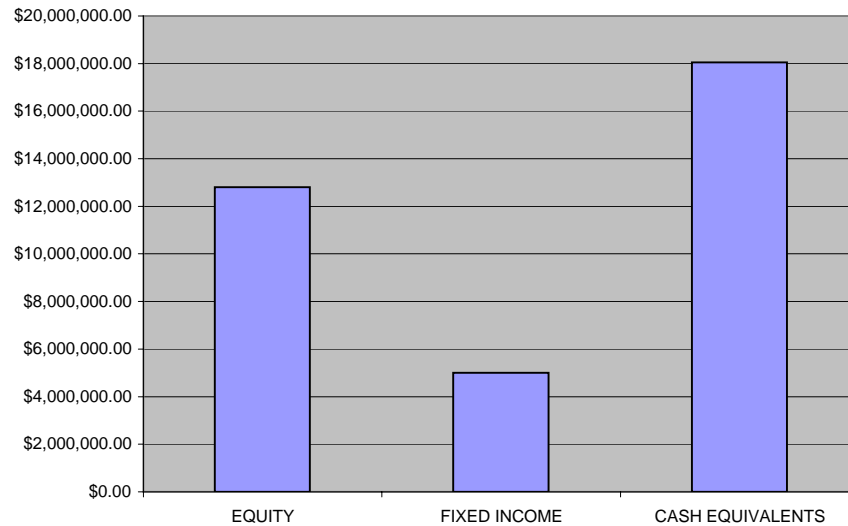
INVESTMENT PORTFOLIO SUMMARY

September 30, 2007

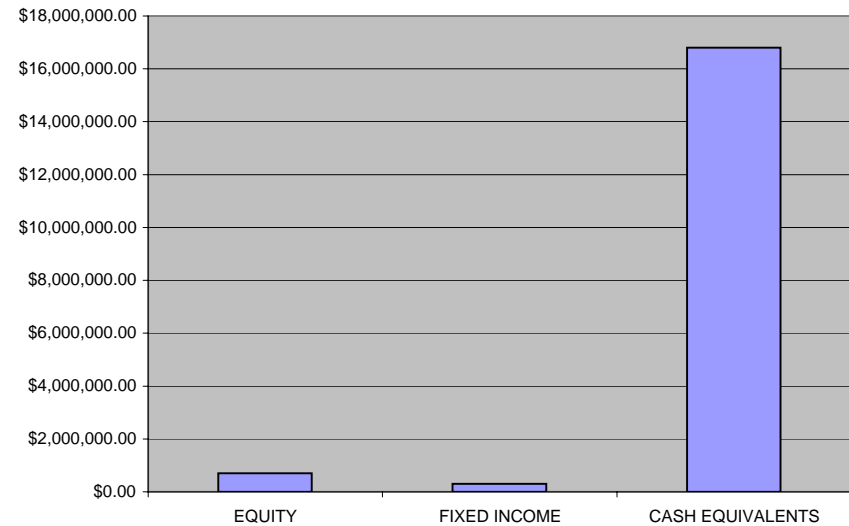
INVESTMENT TRANSACTIONS

	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
Portfolio							
SCP TOTAL FUND	\$12,799,214.60	\$5,000,000.00	\$18,055,995.28	\$700,000.00	\$300,000.00	\$16,799,214.60	\$18,055,995.28
Total	\$12,799,214.60	\$5,000,000.00	\$18,055,995.28	\$700,000.00	\$300,000.00	\$16,799,214.60	\$18,055,995.28

PURCHASES



SALES

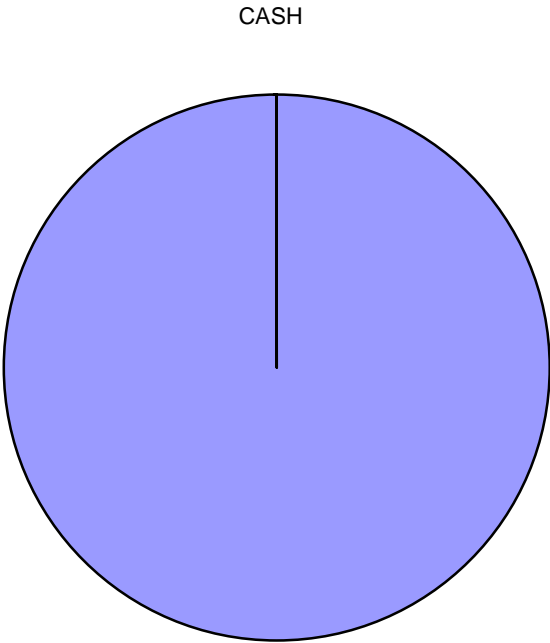


JUDGES' RETIREMENT FUND

SK05
ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	\$3,289,951.60	100.00%	\$3,289,951.60	100.00%
TOTAL	\$3,289,951.60		\$3,289,951.60	



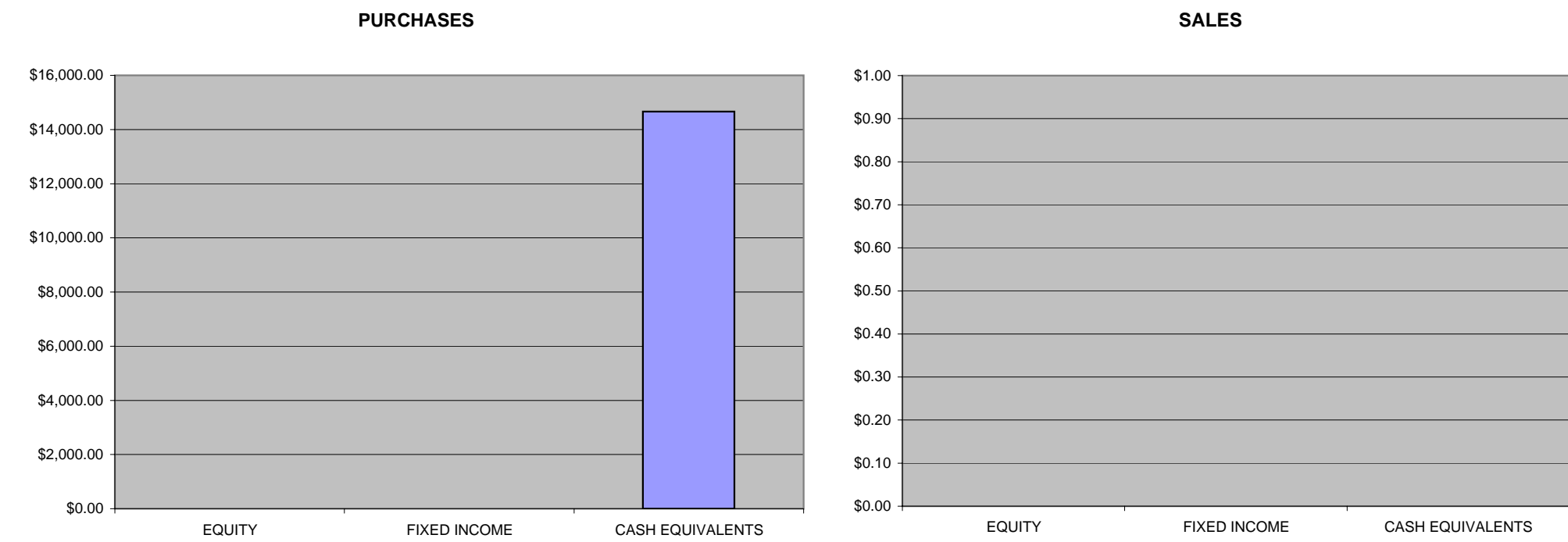
JUDGES' RETIREMENT FUND

SK05

INVESTMENT PORTFOLIO SUMMARY

September 30, 2007

INVESTMENT TRANSACTIONS	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
<u>Portfolio</u>							
JUD-INTERNAL SHORT TERM - CALPERS	\$0.00	\$0.00	\$14,658.56	\$0.00	\$0.00	\$0.00	\$14,658.56
Total	\$0.00	\$0.00	\$14,658.56	\$0.00	\$0.00	\$0.00	\$14,658.56



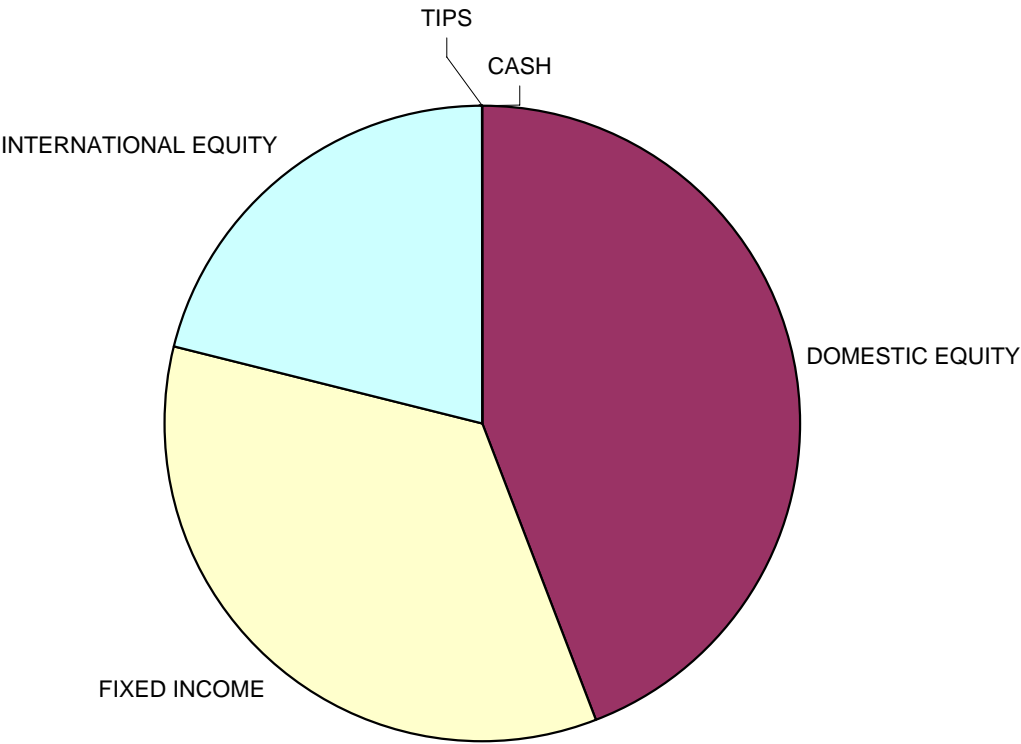
JUDGES II RETIREMENT FUND

SK30

ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	\$11,617.61	0.01%	\$11,617.61	0.00%
DOMESTIC EQUITY	\$92,069,018.19	40.92%	\$115,963,950.96	44.13%
FIXED INCOME	\$88,626,485.19	39.39%	\$91,503,033.44	34.82%
INTERNATIONAL EQUITY	\$44,280,940.85	19.68%	\$55,311,617.03	21.05%
TIPS	\$0.00	0.00%	\$0.00	0.00%
TOTAL	\$224,988,061.84		\$262,790,219.04	



JUDGES II RETIREMENT FUND

SK30

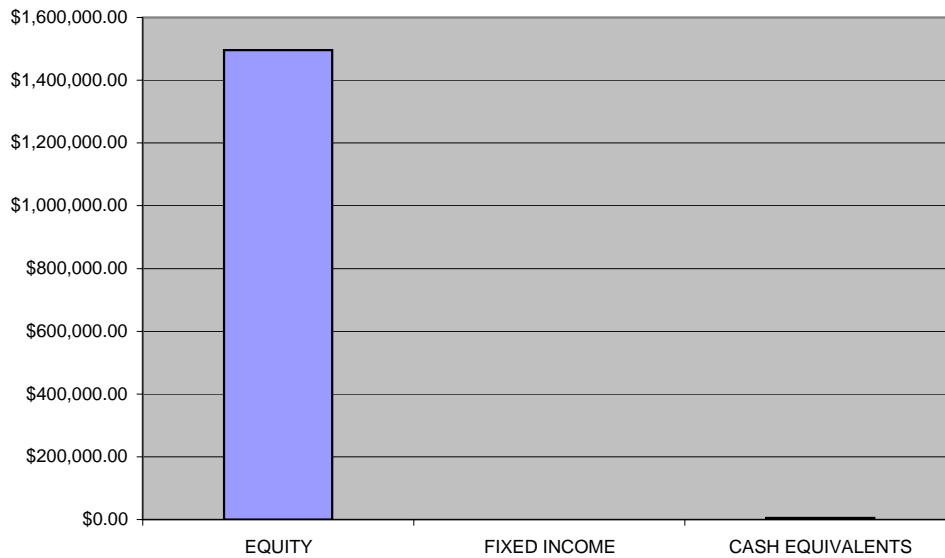
INVESTMENT PORTFOLIO SUMMARY

September 30, 2007

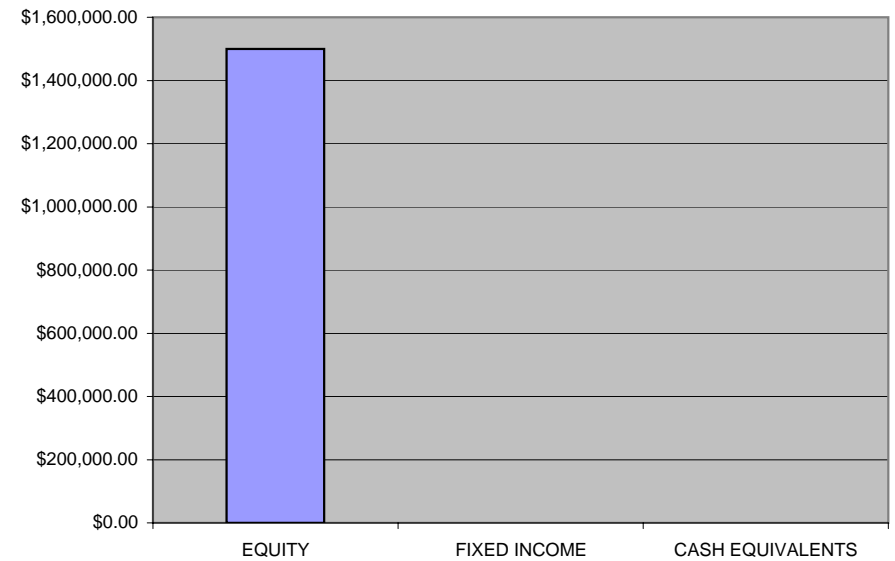
INVESTMENT TRANSACTIONS

Portfolio	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
JUDGES II TOTAL FUND	\$1,495,517.93	\$0.00	\$5,024.46	\$1,500,000.00	\$0.00	\$0.00	\$542.39
Total	\$1,495,517.93	\$0.00	\$5,024.46	\$1,500,000.00	\$0.00	\$0.00	\$542.39

PURCHASES



SALES



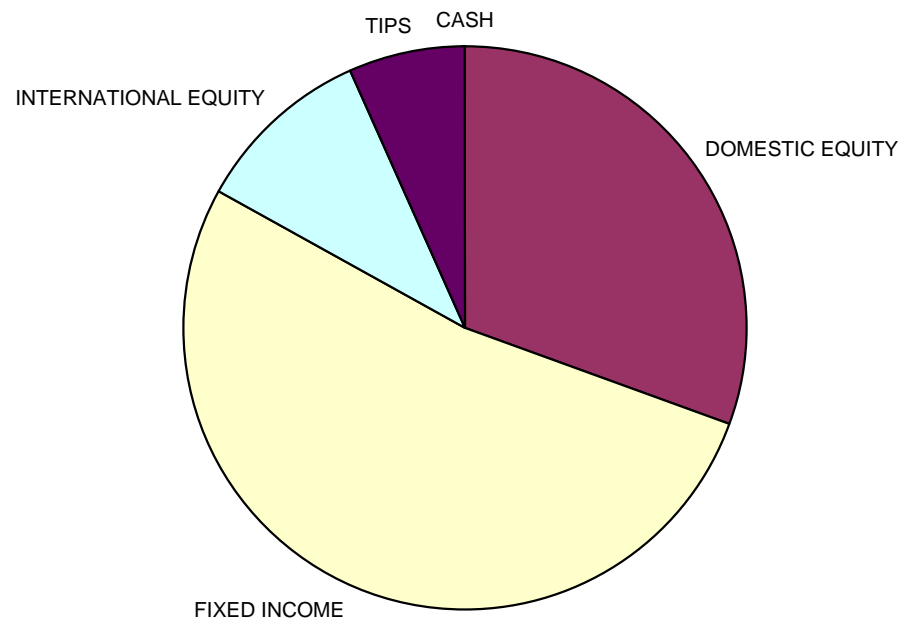
LEGISLATORS' RETIREMENT FUND

SK15

ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	\$6,248.94	0.00%	\$6,248.94	0.00%
DOMESTIC EQUITY	\$34,517,711.21	26.77%	\$44,396,012.50	30.69%
FIXED INCOME	\$73,186,406.06	56.75%	\$75,572,984.03	52.24%
INTERNATIONAL EQUITY	\$11,948,061.09	9.27%	\$14,928,722.55	10.32%
TIPS	\$9,293,413.04	7.21%	\$9,760,435.77	6.75%
TOTAL	\$128,951,840.34		\$144,664,403.79	



LEGISLATORS RETIREMENT FUND

SK15

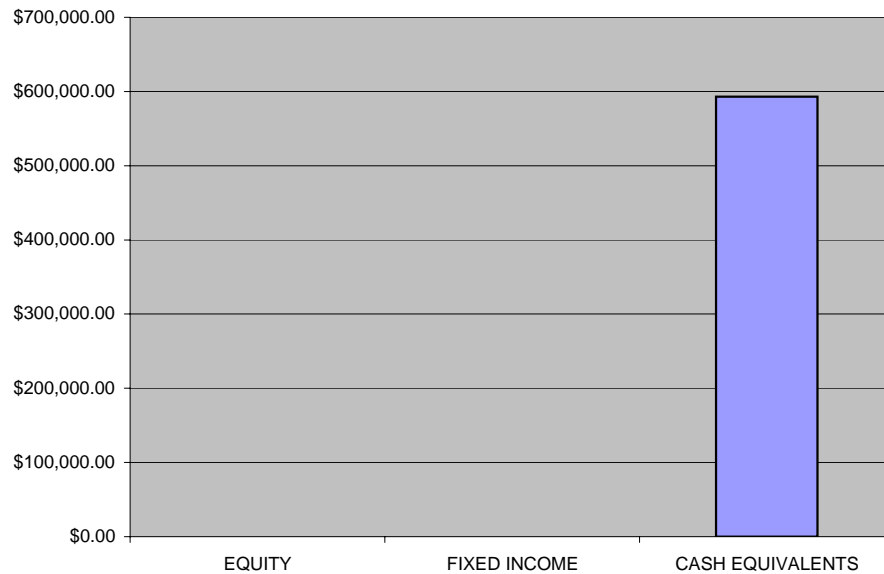
INVESTMENT PORTFOLIO SUMMARY

September 30, 2007

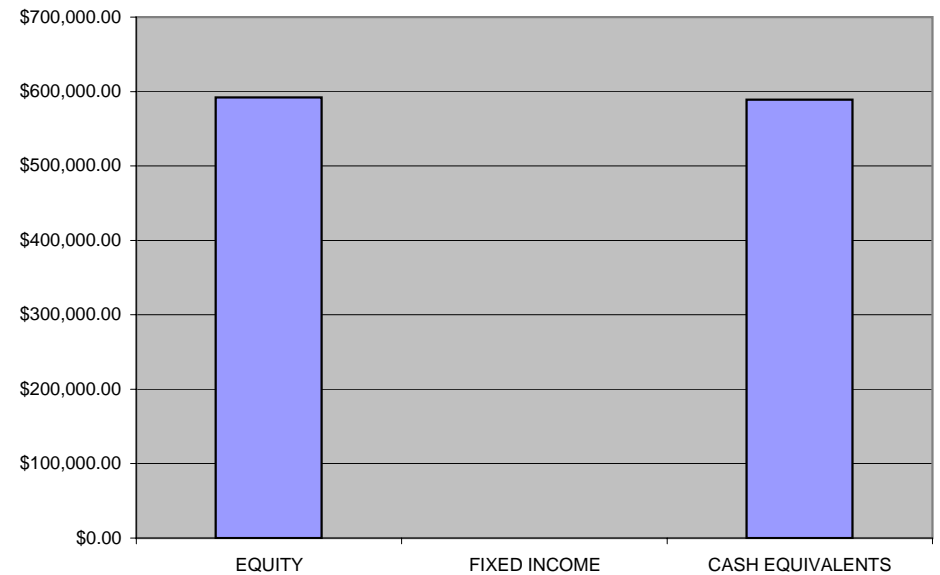
INVESTMENT TRANSACTIONS

Portfolio	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
LEGISLATORS RETIREMENT TOTAL FUND	\$0.00	\$0.00	\$593,041.94	\$592,000.00	\$0.00	\$589,000.00	-\$587,958.06
Total	\$0.00	\$0.00	\$593,041.94	\$592,000.00	\$0.00	\$589,000.00	-\$587,958.06

PURCHASES



SALES



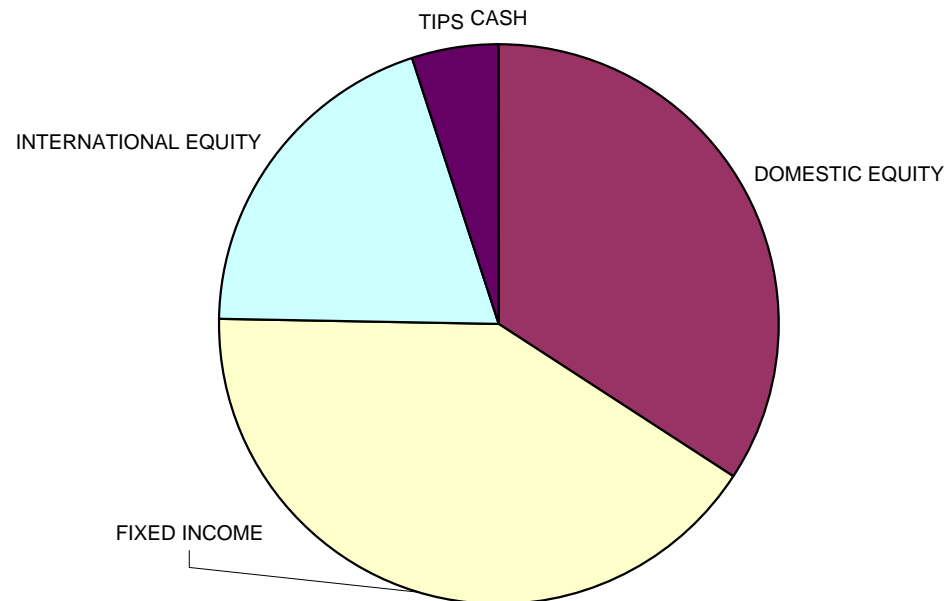
LONG TERM CARE FUND

SK35

ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	\$98,463.82	0.00%	\$98,463.82	0.00%
DOMESTIC EQUITY	\$622,152,536.81	31.22%	\$791,292,789.31	34.20%
FIXED INCOME	\$896,309,238.03	44.97%	\$949,569,529.90	41.04%
INTERNATIONAL EQUITY	\$365,323,708.05	18.33%	\$457,058,156.64	19.75%
TIPS	\$109,206,701.52	5.48%	\$116,005,377.32	5.01%
TOTAL	\$1,993,090,648.23		\$2,314,024,316.99	



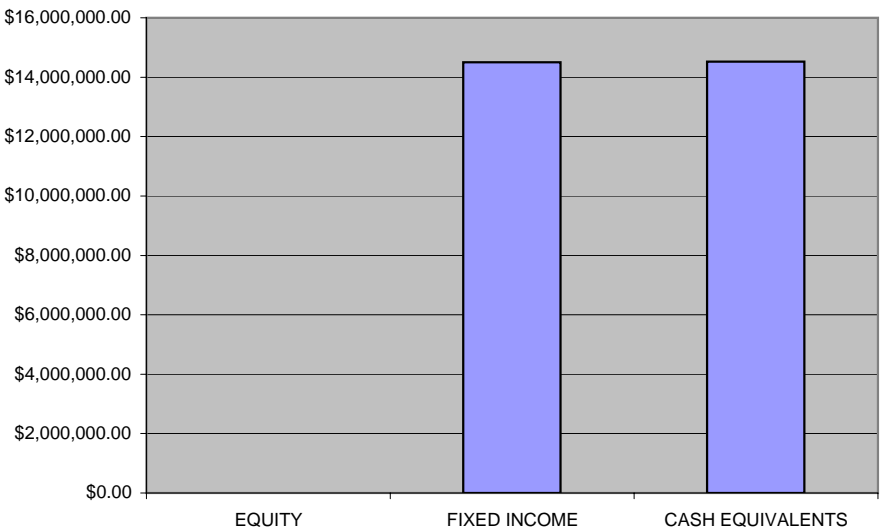
LONG TERM CARE FUND

SK35
INVESTMENT PORTFOLIO SUMMARY

September 30, 2007

INVESTMENT TRANSACTIONS	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
<u>Portfolio</u>							
LONG TERM CARE TOTAL FUND	\$0.00	\$14,500,000.00	\$14,527,513.24	\$0.00	\$0.00	\$14,500,000.00	\$14,527,513.24
Total	\$0.00	\$14,500,000.00	\$14,527,513.24	\$0.00	\$0.00	\$14,500,000.00	\$14,527,513.24

PURCHASES



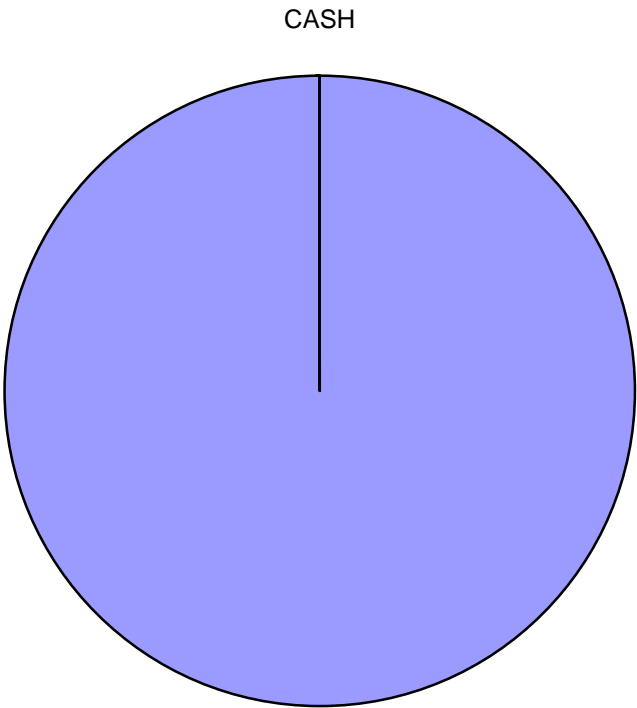
SALES



CONTINGENCY RESERVE FUND

SK01
ASSET ALLOCATION
September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	\$5,831,019.40	100.00%	\$5,831,019.40	100.00%
TOTAL	\$5,831,019.40		\$5,831,019.40	



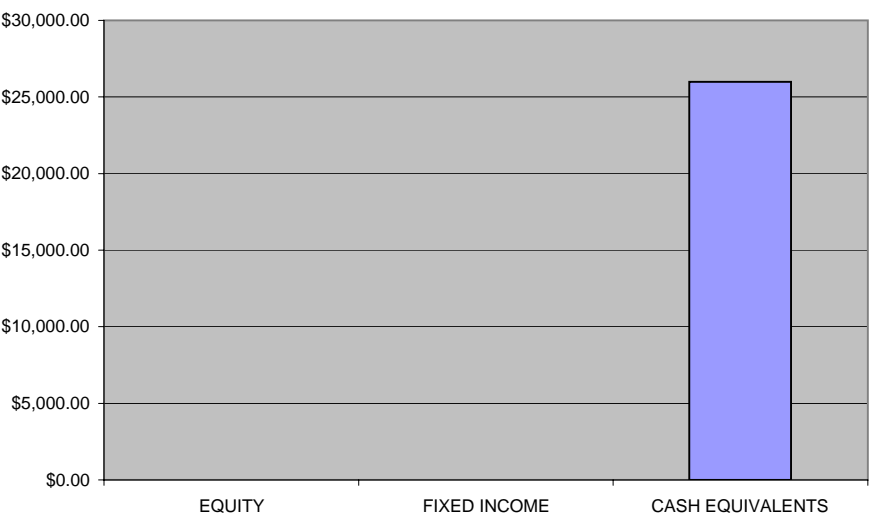
CONTINGENCY RESERVE FUND

SK01
INVESTMENT PORTFOLIO SUMMARY

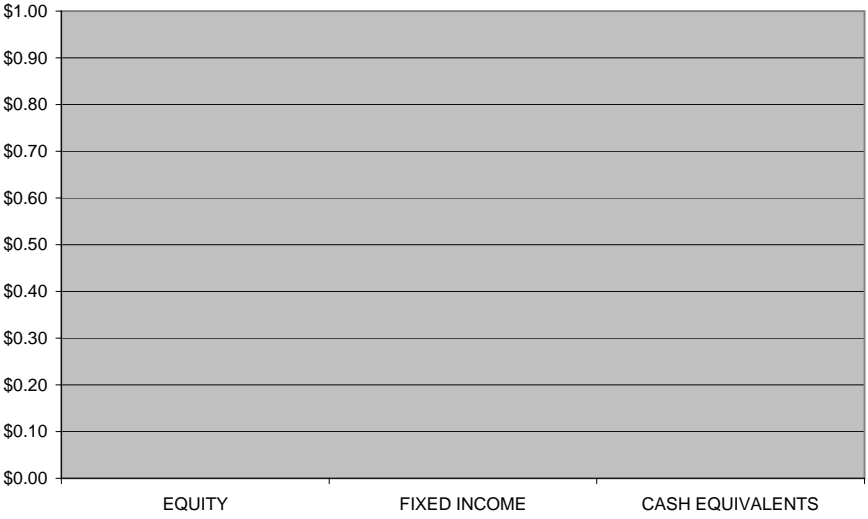
September 30, 2007

INVESTMENT TRANSACTIONS	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
<u>Portfolio</u>							
CRF INTERNAL SHORT TERM - CALPERS	\$0.00	\$0.00	\$25,980.42	\$0.00	\$0.00	\$0.00	\$25,980.42
Total	\$0.00	\$0.00	\$25,980.42	\$0.00	\$0.00	\$0.00	\$25,980.42

PURCHASES



SALES



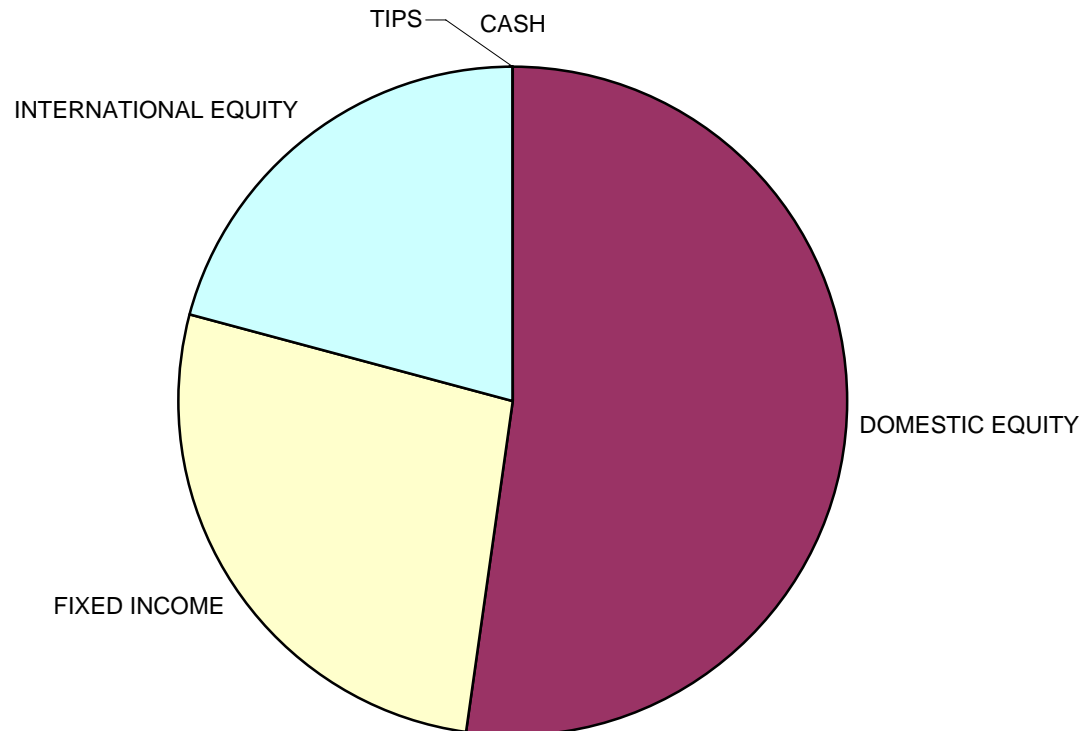
SUPPLEMENTAL CONTRIBUTION FUND

SK76

ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	18,787.25	0.10%	18,787.25	0.08%
DOMESTIC EQUITY	9,269,673.20	48.15%	12,162,948.59	52.13%
FIXED INCOME	6,120,482.83	31.79%	6,319,762.65	27.09%
INTERNATIONAL EQUITY	3,842,338.17	19.96%	4,828,262.86	20.70%
TIPS	0.00	0.00%	0.00	0.00%
TOTAL	\$19,251,281.45		\$23,329,761.35	



SUPPLEMENTAL CONTRIBUTION FUND

SK76

INVESTMENT PORTFOLIO SUMMARY

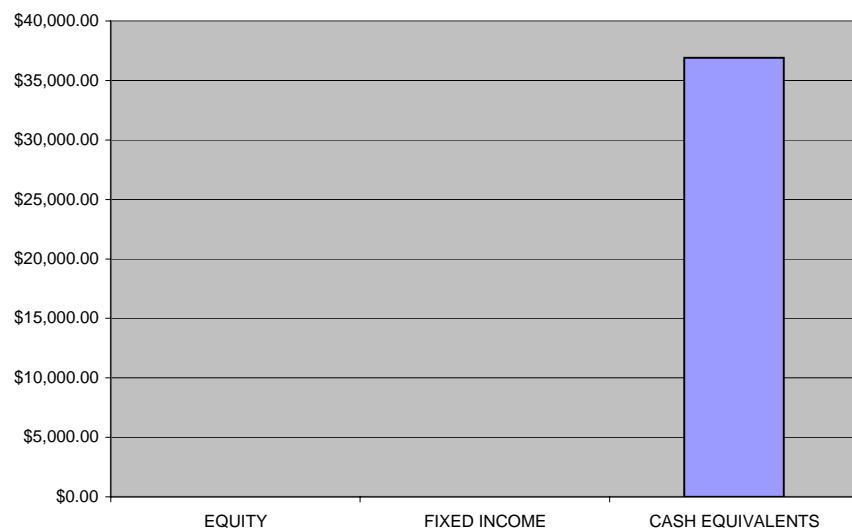
September 30, 2007

INVESTMENT TRANSACTIONS

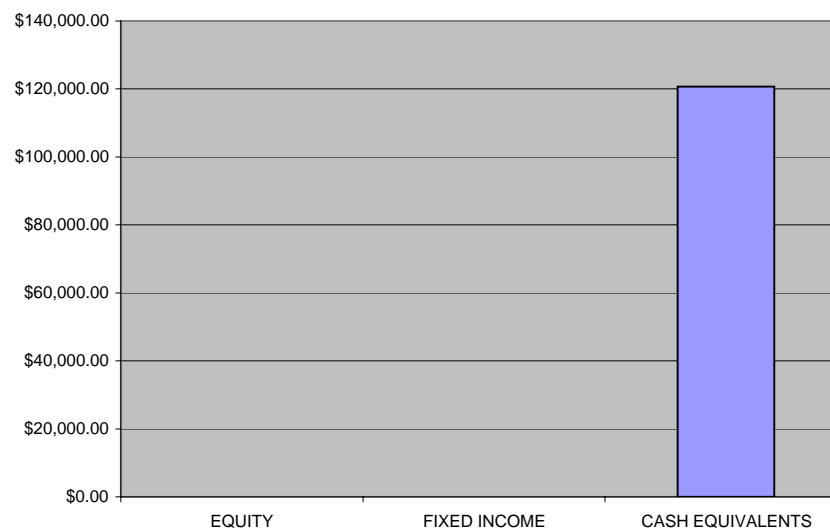
	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
SCP TOTAL FUND	\$0.00	\$0.00	\$36,897.71	\$0.00	\$0.00	\$120,715.44	-\$83,817.73
Total	\$0.00	\$0.00	\$36,897.71	\$0.00	\$0.00	\$120,715.44	-\$83,817.73

Portfolio

PURCHASES



SALES



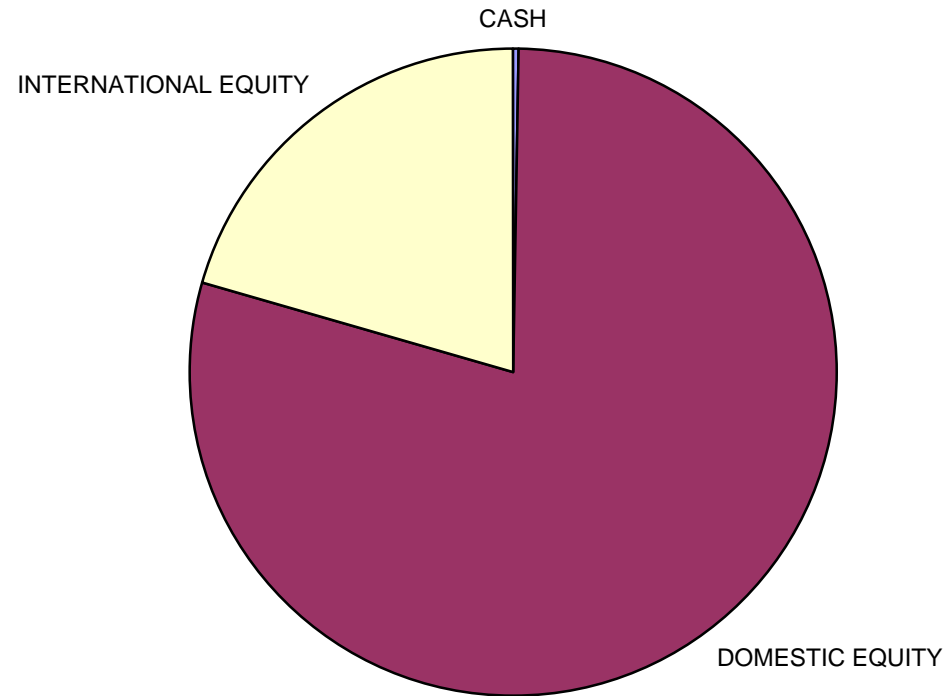
VOLUNTEER FIREFIGHTERS LENGTH OF SERVICE AWARD FUND

SK26

ASSET ALLOCATION

September 30, 2007

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	\$5,360.94	0.17%	\$5,360.94	0.15%
DOMESTIC EQUITY	\$2,588,851.19	83.88%	\$2,869,846.80	79.32%
INTERNATIONAL EQUITY	\$492,028.12	15.94%	\$742,627.20	20.53%
TOTAL	\$3,086,240.25		\$3,617,834.94	



VOLUNTEER FIREFIGHTERS LENGTH OF SERVICE AWARD FUND

SK26

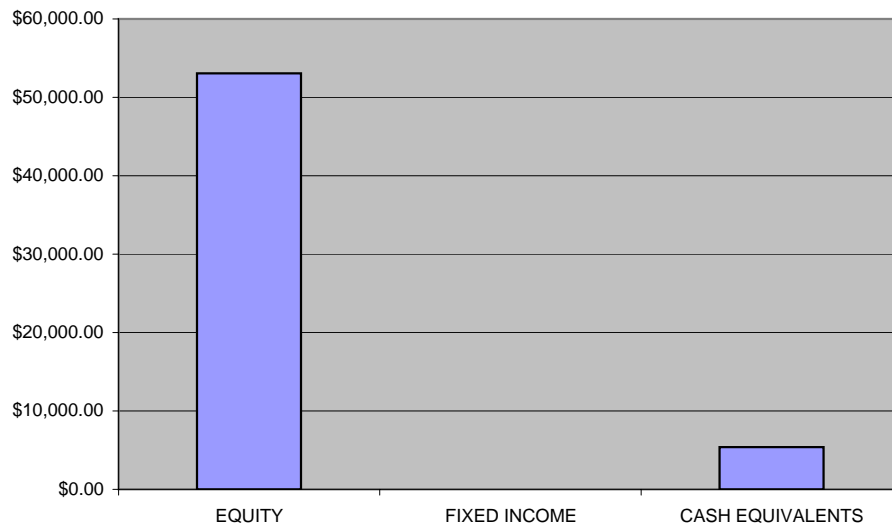
INVESTMENT PORTFOLIO SUMMARY

September 30, 2007

INVESTMENT TRANSACTIONS

Portfolio	PURCHASES			SALES			TOTAL NET INVESTMENT
	EQUITY	FIXED INCOME	CASH EQUIVALENTS	EQUITY	FIXED INCOME	CASH EQUIVALENTS	
VFF-INTERNAL SHORT TERM - CALPERS	\$53,080.00	\$0.00	\$5,370.08	\$47,279.84	\$0.00	\$5,800.16	\$5,370.08
Total	\$53,080.00	\$0.00	\$5,370.08	\$47,279.84	\$0.00	\$5,800.16	\$5,370.08

PURCHASES



SALES

